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Implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 66/125. It provides an overview of the discussion held by the Commission for Social Development during its fiftieth session on the priority theme of poverty eradication, taking into account its relationship with social integration, full employment and decent work for all. It highlights the importance of improving policy coherence and ensuring adequate financing for the effective implementation of social development commitments. The report concludes with recommendations for consideration by the Assembly.

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I. Introduction

1. In its resolution 66/125, the General Assembly reaffirmed that the Commission for Social Development had primary responsibility for the follow-up to and review of the World Summit for Social Development and requested the Secretary-General to submit a report on implementation of the resolution to the Assembly at its sixty-seventh session.

2. The present report summarizes the discussions at the fiftieth session of the Commission for Social Development with a particular focus on the priority theme of the session, poverty eradication, taking into account its relationship with social integration, full employment and decent work for all. The first part of the report discusses policy challenges to poverty eradication and lessons learned in implementing poverty-reduction strategies and devotes particular attention to youth poverty and unemployment, which were identified by the Commission as emerging issues. It also addresses the special needs of Africa and the least developed countries, as well as progress achieved in the implementation of programmes related to social groups and social integration. The second part of the report focuses on two conditions that are necessary for further implementation of the outcome of the World Summit, namely, policy coherence and adequate financing. The report concludes with a set of recommendations for the consideration of the General Assembly.

II. Review of the substantive discussions of the Commission for Social Development at its fiftieth session

A. Poverty eradication

3. Progress in reducing extreme poverty has been uneven. While the poverty target of the Millennium Development Goals has been met at the global level, some regions and many countries are lagging behind.[1] In addition, reaching the poverty target is only one step towards the commitment to poverty eradication made at the World Summit for Social Development. At the rate of decline observed between 1990 and 2005, it would take another 88 years to eradicate extreme poverty. Furthermore, many countries that have succeeded in reducing income poverty face important challenges in other dimensions of deprivation, including access to education, food and other basic goods and services.

1. Challenges to poverty eradication

4. Growing inequalities, insufficient employment creation, low agricultural productivity and the impacts of climate change are persistent obstacles to poverty reduction. These challenges continue to be exacerbated by the weak recovery of the global economy and the financial crisis in Europe.

5. Income inequality is on the rise within and across countries. Approximately two thirds of countries with available data experienced an increase in income

[1] For a more detailed description of global and regional trends, see the report of the Secretary-General on implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (A/67/180).

inequality between 1990 and 2005, despite globally robust economic growth.[2] Children in poorer households and those living in rural areas are more likely to be underweight, die before their fifth birthday and be out of school than children in urban or more affluent households. Indigenous peoples and persons with disability continue to suffer disproportionately from poverty. While income inequality within countries is significant and rising, differences across countries are larger, with income disparities across countries accounting for two thirds of global income inequality. The economic and food crises, as well as ongoing challenges such as climate change that have disproportionate effects on the livelihoods of the poorest households, threaten to deepen such inequality.

6. Income inequality undermines economic growth and social stability and makes it harder for poor people to participate in economic, social and political life. Unless inequality is deliberately addressed at the national and international levels, development will continue to benefit only segments of populations, or will slow down altogether.

7. The generation of sustained employment and decent work opportunities is essential to reducing inequality, eradicating poverty and promoting sustained, inclusive and equitable economic growth. The financial and economic crises have led to a global jobs crisis, with sharp falls in employment and wages in a majority of countries. In developing countries, the proportion of workers in vulnerable employment has increased, working conditions in the informal sector have worsened and, as a result, working poverty has risen. These trends compound employment deficits that existed before the crises and emphasize the need to reconsider national and international policy frameworks so as to ensure the creation of more and better jobs, particularly for youth and other disadvantaged social groups.

8. Poverty reduction efforts have also been hampered by surging food prices and global food insecurity. Weather shocks in large grain-producing countries and in regions such as the Horn of Africa and the Sahel, coupled with speculation in agricultural commodity markets and the surge in the demand for biofuels, have contributed to the latest food crises. Historically, the number of hungry people has increased even in periods of high growth and relatively low prices, suggesting that hunger, like poverty, is the result of structural imbalances. Low investment in agriculture and distortions in the global trading system are some of the long-term causes of persistent food insecurity. Decades of declining investment in agriculture has left productivity stagnant in many developing countries, while export-oriented agriculture has reduced investment in the lower-priced crops needed to meet the nutritional needs of the growing populations in poor countries. The effects of climate change, already visible in many developing countries, further threaten agricultural productivity and food security.

9. Overall, income inequality, adverse employment conditions and lack of economic opportunities are manifestations of disempowerment that contribute to poverty. Empowering people living in poverty to participate in social, economic and political life is crucial to eradicating poverty and achieving inclusive, equitable and sustained economic growth.

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[2] F. H. G. Ferreira and M. Ravallion, *Global Poverty and Inequality: A Review of the Evidence*, Policy Research Working Paper No. 4623 (Washington, D.C., World Bank, 2008).

2. Policy responses to poverty eradication: lessons learned

10. The recent crises have exposed the vulnerability of poor individuals and families and have emphasized the need for more effective policies to reduce poverty and inequality. Despite the diverse economic, social and political challenges faced by countries in this regard, there is broad agreement on a number of issues that, based on national experiences, require urgent and more effective action. Specifically, policies must focus on empowering people in order to eradicate poverty, by creating jobs, promoting inclusive, equitable and sustained growth and providing social protection.

11. In countries that have experienced sustained periods of growth, progress in reducing poverty has been faster where economic growth has taken place with sustained increases in decent work, gains in agricultural productivity and growth of manufacturing industries. These countries have benefited from complementary economic and social policies, with Governments promoting industrial development and investing heavily in infrastructure, social services and social protection. In many countries, however, job creation and inclusive growth are hampered by fragmented, and often inconsistent, policies both at the national and international levels. The prevailing macroeconomic policy framework, aimed at keeping inflation low and controlling fiscal deficits, has increased volatility in the labour market and resulted in longer periods of higher unemployment in times of crisis.

12. Sustained and more inclusive economic growth requires macroeconomic policies oriented towards the creation of more and better jobs. In general, countries that have fared better through economic cycles, reducing the fluctuations in output, investment and employment, have been able to implement a consistent set of countercyclical economic policies, increasing public expenditure during economic downturns.

13. Spending on labour market programmes has been higher in countries that have managed to maintain unemployment at relatively low levels since the onset of the global financial and economic crisis than in those countries where the labour market has been harder-hit. However, the move towards fiscal austerity by an increasing number of countries has resulted in the premature withdrawal of many such programmes and of social spending in general, leaving those who benefited from them just as vulnerable to future shocks.

14. Labour market programmes and policies aimed at tackling the structural lack of employment opportunities have consisted mainly of training and intermediation services. However, solutions to the current jobs crisis will not be sustainable unless these promote the creation of additional decent employment opportunities, chiefly through supportive macroeconomic policies and heavy investment in infrastructure. Confronting the jobs crisis will also require addressing the challenges faced by the informal economy, with a view to promoting long-term, productive capacity development and improving the working conditions and income security of informal workers. Likewise, more will need to be done to deal with the exclusion of selected groups, particularly youth, from the labour market.

15. The existing evidence shows that well-designed social protection programmes are an important component of policies that promote productive employment and decent work, social cohesion and, ultimately, the prevention and reduction of poverty and inequality. Social protection programmes are essential to reducing

vulnerability. In the long term, social protection can help individuals and families build human and social capital and improve their livelihood prospects, thereby addressing some of the underlying causes of poverty and unleashing the productive potential of the workforce. For countries at a given income level, higher levels of expenditure on social protection are correlated with lower poverty levels.[3]

16. Although many countries are making efforts to establish or expand social protection, as reported during the fiftieth session of the Commission, some 75 per cent of the global population are still not covered by adequate social security.

17. In most countries, however, the progressive implementation of social protection floors is affordable. Studies in Asia and Africa have shown that the initial gross annual cost of a basic social transfer package (excluding access to basic health care) lies in the range of 2.2 to 5.7 per cent of gross domestic product (GDP).[4] Individual elements appear even more affordable. The annual cost of providing universal, basic old-age and disability pensions, for example, is estimated at between 0.6 and 1.5 per cent of GDP in the countries considered. Extensive targeted and conditional cash transfer programmes like *Bolsa Familia* in Brazil can be implemented at a cost of about 0.5 per cent of GDP, while universal pension schemes like those in Namibia, Nepal and Mauritius can be financed by about 1 to 1.5 per cent of GDP.

18. Another lesson in implementing poverty reduction strategies is that greater focus on rural development and agricultural productivity is necessary to eradicate extreme poverty and hunger. Overcoming food crises requires a combination of short- and long-term actions to increase agricultural productivity and the resilience of farmers, and rural residents in general, to food price volatility. This involves enhancing access to agricultural and food markets and trade, improving infrastructure and access to social services in rural areas and establishing adequate social-protection programmes. Short-term support to food production, in particular, to boosting smallholder farmers' access to improved seeds, energy and fertilizers, has important implications for poverty reduction. In addition, the promotion of small and medium-sized enterprises in rural areas can create needed non-farm jobs, reduce poverty, improve food security and facilitate diversification from agriculture towards other rural activities.

19. Climate change and environmental degradation have a negative impact on agricultural productivity and threaten the well-being of people living in poverty, whose livelihoods depend more directly on genetic, species and ecosystem diversity. Therefore, strategies that mitigate the impacts of climate change and lead towards environmentally sustainable production systems will benefit the poor.

20. The outcome of the United Nations Conference on Sustainable Development (Rio+20) held in 2012 emphasizes the need to advance the integration of the social, economic and environmental dimensions of sustainable development and stresses the importance of poverty eradication, social inclusion and participation to the future of our planet. Member States agreed in Rio de Janeiro to launch a process to

[3] Armando Barrientos, "Social protection and poverty reduction", background paper commissioned for United Nations Research Institute for Social Development, *Combating Poverty and Inequality: Structural Change, Social Policy and Politics* (Geneva, 2010).

[4] International Labour Organization, *Extending Social Security to All: A Guide through Challenges and Options* (Geneva, 2010).

establish a set of sustainable development goals that should be based on Agenda 21 and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation) and that would integrate, in a balanced way, the three dimensions of sustainable development. This process should be coherent with, and integrated in, the United Nations development agenda beyond 2015 and should not divert efforts from the achievement of the Millennium Development Goals.

21. Both Agenda 21 and the Johannesburg Plan of Implementation emphasize poverty eradication as a prerequisite for the effective achievement of sustainable development and promote a people-centred approach. However, the sustainable development goals should be based on a broader perspective of social development. The principle of equity, as well as issues of social inclusion and participation, must be at the heart of the envisioned goals and subsequent sustainable development strategies in order to ensure the social sustainability of the new development framework. Governments will also need to accelerate action at the national level in order to link efforts to advance social development with efforts to promote environmental protection and the transition to green economies, bearing in mind the already agreed international development goals, including the Millennium Development Goals and the commitments made at the World Summit.

22. Participation of all members of society in social, economic and political life is important to ensure that Governments respond to the needs of all, including the poor. Progress in access to social protection and social services will not succeed in eradicating poverty if it is not complemented by broader measures that address access to justice as well as to land, credit and other productive resources vital for empowering people. This will require, among other actions, public measures targeting discrimination against individuals and social groups.

B. The special needs of Africa and the least developed countries

23. Since the World Summit for Social Development, held in Copenhagen in 1995, African and least developed countries have successfully increased their pace of economic growth and some countries have also made progress on the social development front. The strong growth these countries have experienced over the last decade is of particular significance. After a prolonged period of poor economic performance and slow growth before 1990, several African countries have recorded some of the fastest rates of economic growth in the world. Similarly, in the least developed countries, GDP has grown by over 7 per cent in the last decade.[5] However, many countries have not been able to translate economic growth into better social development outcomes and decent jobs. In particular, many countries are struggling to reduce their levels of poverty and youth unemployment.

24. Recent World Bank estimates have indicated that the absolute number of people living on less than $1.25 a day in sub-Saharan Africa declined by 9 million between 2005 and 2008, from 395 million to 386 million.[6] This brought down the

[5] United Nations Conference on Trade and Development, *The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development* (New York and Geneva, 2011).

[6] S. Chen and M. Ravallion, "An update to the World Bank's estimates of consumption poverty in the developing world", briefing note, Development Research Group, World Bank, 2012.

percentage of the population living on less than $1.25 a day from 52.3 per cent in 2005 to 47.5 per cent in 2008. However, with the exception of Cambodia, Ethiopia, Mauritania and Senegal, levels of extreme poverty have not fallen significantly in the 48 least developed countries worldwide.

25. In addition to tackling extreme poverty, African and least developed countries have made real gains in improving net primary school enrolment. Between 1999 and 2009, sub-Saharan Africa posted an 18-percentage-point gain in net enrolment ratios, with many of the greatest strides being made in some of the poorest countries including Burundi, Rwanda, Sao Tome and Principe, Togo and the United Republic of Tanzania. In spite of such real progress, at least two out of five children in primary school drop out before reaching the last primary school grade in half of the least developed countries. Furthermore, close to one fifth of primary-school-age chi'dren in the least developed countries are not in school.[7] When combined with limited success in expanding educational opportunities at the secondary-school level, these deficits further constrain the ability of these countries to compete in the global economy.

26. On the health front, African and least developed countries have made gains in reducing the mortality rate for children under age 5, improving containment of the spread of HIV and AIDS and immunizing children. However, despite these positive developments, large inequalities still persist among and within countries, resulting in unacceptably high maternal and child mortality rates in several countries. For instance, the proportion of children under age 5 who are underweight for their age still remains above 25 per cent in the least developed countries.

27. African and least developed countries also confront high levels of hunger. Owing to persistent food insecurity, one in every four persons in sub-Saharan Africa suffers from malnutrition. The severe drought that threatened millions of lives in the Horn of Africa in 2011 has been followed by yet another severe food crisis in the Sahel region of West Africa. While droughts and crop failure have been the immediate causes of these food security crises, their long-term causes remain inadequate investment in agriculture, particularly in smallholder agriculture. This lack of investment has been compounded by misguided policies, weak institutions and failing markets.[8]

28. In addition to natural calamities, the pace of social and economic progress in African countries and in the least developed countries also continues to be undermined by the ongoing effects of the global financial and economic crisis, food and energy price volatility and the adverse impact of climate change. In particular, the persistence of the sovereign debt crisis in the euro zone, as a continuation of the global financial and economic crisis, poses significant risk of another global recession that would negatively affect the economies of African and least developed countries. Specifically, the ongoing financial and economic crisis is adversely impacting the flow of foreign direct investment and official development assistance to African and least developed countries. Trade, in commodities and services that matter most to the financial stability of these countries, is also being negatively impacted. In addition, contracting demand in industrialized economies has contributed to slow growth and lack of job creation in commodity- and services-

[7] United Nations, *The Millennium Development Goals Report 2011* (New York, 2011).

[8] United Nations Development Programme, *Africa Human Development Report 2012: Towards a Food Secure Future* (New York, 2012).

dependent developing economies. Combined with the loss of remittances and huge food import bills for some poor countries, these developments could undermine the ability of African and least developed countries to raise sufficient resources for development and much-needed social spending.

29. Heads of State and Government gathered in Istanbul, Turkey, in May 2011 for the Fourth United Nations Conference on the Least Developed Countries, to renew and strengthen global partnerships for the development of poor developing countries. The meeting discussed specific challenges facing the least developed countries and adopted the Programme of Action for the Least Developed Countries for the Decade 2011-2020. The primary objective of the Programme of Action was to "overcome the structural challenges faced by least developed countries in order to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category" (A/CONF.219/3/Rev.1, para. 27).

C. Youth poverty and unemployment

30. Youth employment has been a persistent global challenge over the last decades. This challenge has been further aggravated by the global financial and economic crisis. Young people between 15 and 24 years of age are disproportionately affected by unemployment, and are overrepresented in the informal sector and among the working poor. Given that the social, economic and political costs of a prolonged youth unemployment crisis would be high, focusing special attention on youth at the policy level is an urgent priority both in developed and developing countries.

31. At the end of 2011, less than half (48.7 per cent) of young people globally were actively participating in the labour market and 74.8 million young workers (12.7 per cent) remained unemployed.[9] Furthermore, many countries have witnessed an increase in the number of discouraged young workers, who are not counted among the unemployed.[10] High levels of unemployment and discouragement represent a severe waste of human potential and can have drastic repercussions for the young people affected and for societies at large.

32. In many developing countries, the main challenge is not necessarily youth unemployment or inactivity but the deficit in decent work available to young people. In these countries, young people frequently need to rely on working in the informal sector or on earning income through own-account activities, without adequate pay or social protection and subject to poor working conditions. As a result, young workers are overrepresented among the working poor.

33. Given that early labour-market experiences are strong predictors of future earning potential, the trend towards increasing youth unemployment and deficits in decent work experienced by youth has long-term effects on their well-being and skills development. The trend undermines opportunities available to young people and can lead to their marginalization in society. Young women and young people

[9] International Labour Organization, *Global Employment Trends 2012: Preventing a Deeper Jobs Crisis* (Geneva, 2012).

[10] For additional data on youth unemployment and poverty, see the report of the Secretary-General on implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (A/67/180).

from disadvantaged social groups, such as indigenous peoples, ethnic minorities, disabled persons and migrants, are at a particular disadvantage in finding decent jobs, which further contributes to social exclusion and inequality.

I. Addressing the youth employment challenge

34. The youth employment crisis has exposed the urgent need for more effective policies and programmes to improve the quality and quantity of youth employment. Existing policies have fallen short in addressing the deficits in decent work and providing young workers with the protection and support which would empower them to fulfil their potential, overcome poverty and actively participate in, and contribute to, the economic and social development of their communities. There are, however, policy measures that have proven to be effective in creating more and better jobs for young people.

35. Policies aimed at addressing the structural causes of the lack of employment opportunities for young people have frequently focused on increasing their employability by improving their access to quality formal education, training programmes and self-employment measures, as well as reducing the mismatch between the skills acquired and those needed in the labour market. While training and intermediation services are important components of youth employment strategies, they have proven largely insufficient in producing the number of jobs needed and improving their quality.

36. To produce more and better employment opportunities for youth, macroeconomic policies must address the high labour-market segmentation as well as informal sector employment. In particular, countries must pursue policy measures that ensure a more equitable distribution of labour-market risks and benefits. They should also abolish policies that discriminate against hiring youth. Addressing youth poverty also entails dealing with the challenges facing the informal sector. Countries must foster long-term, competitive productive capacity and improve the income security and working conditions of informal workers. This can be done by expanding the coverage of social protection available to youth. These measures need to be further complemented by broader demand-side policies to expand decent work opportunities for youth.

37. Furthermore, in order to make the youth employment crisis a policy priority, Governments must boost aggregate demand in general and youth-oriented special programmes in particular. National action plans to foster youth employment can be useful, provided such plans are backed by strong political commitment and based on broad participation and the empowerment of young people. Engaging youth in social dialogue and establishing partnerships — between Governments, employer organizations, trade unions and the youth themselves — would be instrumental in determining the most appropriate action plans at the national and local levels.

D. Implementation of programmes related to social groups and social integration

38. Governments around the world are increasingly recognizing the importance of social integration to advancing social development and reducing poverty and inequality. Social integration fosters social cohesion and promotes stable and just societies, creating an enabling environment for empowerment and social progress.

The participation by all members of society in social, economic, political and cultural life is critical to ensuring that Government policies are responsive to the needs of society.

39. Progress in social integration has been achieved largely through the adoption of international plans of action, conventions and declarations that address the challenges various social groups face in overcoming social exclusion, poverty and disempowerment. All such instruments offer practical guidelines on ways of promoting social integration by improving the situations of social groups, including persons with disabilities, older persons, youth and indigenous peoples, and increasing their empowerment and participation in society.

40. One of the most notable achievements in the advancement of the rights of persons with disabilities was realized in 2006 with the adoption of the Convention on the Rights of Persons with Disabilities. The Convention clarified and qualified the ways in which all categories of rights apply to persons with disabilities and identified areas where adaptations have to be made to enable disabled persons to effectively exercise their rights, as well as areas where the protection of their rights needed to be reinforced. Further, in September 2013, the General Assembly will convene the High-level Meeting on Disability and Development, which will offer an opportunity to review development policy and practices from a disability perspective, strengthen commitment to ensuring the rights of persons with disabilities in development and further the inclusion and empowerment of persons with disabilities in emerging international development frameworks.

41. Given that persons with disabilities comprise more than 15 per cent of the global population, and are disproportionately represented among the world's poorest and most disempowered, the need for disability-inclusive development is urgent. Governments have both recognized this challenge and started to take steps to bridge the gap between political commitment and development practice, through improvements in legislation, adoption of national strategies and programmes that are inclusive of persons with disabilities and effective monitoring and evaluation of implementation. Other initiatives focus on specific areas, such as the participation and empowerment of persons with disabilities, improving the accessibility of physical environments and information and communications technologies, and the collection and application of data regarding persons with disabilities.

42. Ten years after the adoption of the Madrid International Plan of Action on Ageing, 2002, and in the framework of the upcoming second review and appraisal of its implementation at the fifty-first session of the Commission for Social Development in 2013, urgent action is needed to accelerate the implementation of the Plan of Action and promote the empowerment and participation of older persons. The global financial and economic crisis has led a number of Member States to cut social spending, which has affected the level of social protection provided to older persons. There is, therefore, a strong need to expand social protection coverage in order to tackle poverty among older persons, particularly in developing countries. Several other obstacles, including insufficient empowerment and participation of older persons in the political, economic, social and cultural domains, limited possibilities for education and training, and discrimination against and abuse of older persons, must be overcome in order to integrate older persons into society.

43. At the international level, renewed interest has been focused on the human rights and empowerment of older persons. The Open-ended Working Group on

Ageing, established by the General Assembly in 2010, has continued to hold discussions on strengthening the protection of the human rights of older persons. The European Year for Active Ageing and Solidarity between Generations in 2012 aims to raise awareness of active ageing at the regional level, focused especially on employment and participation in society.

44. The World Programme of Action for Youth, adopted in 1995, has been instrumental in guiding the formulation and implementation of national youth policies. The programme has identified several priority areas and parallel fields of action for addressing the most pressing concerns faced by young people, including improving levels of basic education, skills training, employment creation, and full and effective empowerment and participation of young people in society and decision-making. The United Nations High-level Meeting on Youth held in 2011 built on the 1995 World Programme of Action and called upon Governments, the United Nations system and all relevant stakeholders to effectively address the challenges faced by youth. In its resolution 65/312, the General Assembly adopted the outcome document of the meeting, which outlined 17 areas of action on youth issues, including specific measures for advancing inclusive job creation, skills development and vocational training designed for specific labour-market needs.

45. The upcoming twentieth anniversary of the International Year of the Family in 2014 offers an opportunity to strengthen national family-centred policies and programmes, particularly in the areas of family poverty reduction, work-family balance and intergenerational solidarity. Families remain primary agents for social integration and social protection, as well as for the overall educational, emotional and social development of their members. So far, national policies and programmes have focused on supporting the most vulnerable families (including large and single-parent households). Social protection has ranged from basic services and cash-transfer provisions to income-generating activities and assisting parents in balancing their work and family responsibilities. In order to improve current social policies and programmes, it is essential to promote family policy evaluation, review the challenges faced by families and share good practices in family policymaking.

46. Indigenous peoples, despite diverse geographical and cultural backgrounds, often experience similar forms of economic and social marginalization and discrimination and of limitation in their access to basic health care and education. The United Nations Declaration on the Rights of Indigenous Peoples, adopted in 2007, was an important step forward for the recognition, promotion and protection of the rights and freedoms of indigenous peoples. The Declaration emphasizes the importance of a human rights-based, culturally sensitive approach to indigenous peoples' issues. Socially inclusive policies for indigenous peoples should be based on respect for both their world view, perspective and experience, and their concept of well-being, participation and development. In order to honour the commitments contained in the Declaration, national institutions have formulated strategies on culturally sensitive social integration. Many indigenous peoples and communities have also established organizations at the local, national, regional and international levels to facilitate internal decision-making and to engage the State on various matters, including poverty eradication, participation and social inclusion.

47. Advancing social integration goes beyond group-specific mandates, however, and should be mainstreamed into overall policymaking. Economic and social policies must be aligned in order for the economic and social policy outcomes to

become mutually reinforcing. More focus is also needed in implementing policies that eliminate discrimination, particularly with regard to employment opportunities and access to decent work, improving the coverage and quality of education and health programmes, strengthening universal empowerment and participation, and expanding social protection. These efforts would not only advance social integration objectives but also contribute to reducing poverty and inequality.

III. Implementation of the outcome of the World Summit for Social Development: improving policy coherence and ensuring adequate financing for social development

A. Policy coherence

48. Policy coherence, particularly the alignment of economic and social policies towards a common set of social goals, is necessary to facilitate the implementation of the outcome of the World Summit for Social Development. Policies have indirect, often unintended, effects. Macroeconomic stabilization policies aimed at keeping inflation low and controlling fiscal deficits, for instance, have increased volatility in the real economy and in the labour market. The liberalization of international capital flows has further increased such volatility, destabilizing real exchange rates as well as the pace of productive investment, capital formation and employment creation. Emphasis on balancing public budgets has often resulted in declines in public investment in infrastructure, technology, health and education, all of which are critical to poverty reduction, social development and inclusive growth.

49. These inconsistencies have been exemplified by the policy responses of many developed countries to the impact of the recent global financial and economic crisis, namely, their move towards fiscal consolidation through tax increases and spending cuts, inter alia, in the social sectors. An analysis of the impact of fiscal consolidation programmes in developed countries in the last 30 years shows that consolidation reduces output and increases unemployment, at least in the short term. Cutting the deficit by 1 per cent of GDP typically reduces domestic demand by 1 per cent and GDP by 0.5 per cent within two years, and raises the unemployment rate by 0.3 percentage points.[11] While the impacts on short-term unemployment tend to be temporary, the rise in long-term unemployment often prevails beyond five years. Fiscal consolidation has stronger effects when it takes place in several countries simultaneously, as it becomes harder for each country to ease its impact through an increase in exports. In addition, consolidation tends to increase income inequality, as it brings about long-term declines in the share of wages in GDP, while profits continue growing or suffer short-term reductions only.[12] The current move towards fiscal consolidation indicates that the crisis is not being used as an opportunity to consider lessons from the past and review the inadequacy of existing macroeconomic frameworks.

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[11] International Monetary Fund, *World Economic Outlook: Recovery, Risk, and Rebalancing* (Washington, D.C., 2010).

[12] Prakash Loungani, "Will it hurt? Who will it hurt: the macroeconomic and distributional effects of fiscal austerity", paper prepared for the United Nations Expert Group Meeting on the Challenge of Building Employment for a Sustainable Recovery, Geneva, 23 and 24 June 2011. Available from http://social.un.org/index/ExpertGroupMeetingsPanelDiscussions/2011/BuildingEmployment.aspx.

50. Improving policy coherence at the national level calls for the alignment of the macroeconomic policy framework with social objectives. In general, countries that have fared better through economic cycles, reducing the fluctuations in output, investment and employment, have been able to implement a set of countercyclical fiscal and monetary policies, increasing spending, including in the social sectors — that is, allowing fiscal deficits — during downturns, strengthening the regulation of capital flows and managing exchange rate volatility.

51. Countries in which Governments have implemented complementary policies in the economic and social sectors, promoting industrial development and investing heavily in infrastructural development as well as in social protection and social services, have experienced rapid declines in poverty. Closing the infrastructure gap, in particular, can have a substantial impact on the incomes of the poor. In addition to having a direct impact on poverty, investments in physical and human capital increase productivity in the private sector and can also help expand the domestic resource base, thereby increasing the policy space available for macroeconomic policy. Similarly, a more equitable distribution of incomes and opportunities can be a stimulus to economic growth and thereby generate additional opportunities and fund further investments in human and physical capital.

52. Each set of policies, be it related to labour market performance, employment, social protection, agricultural development or some other area, requires coordination across Government ministries and policy areas. Promoting such coordination and mutually reinforcing policy action across ministries and Government agencies in support of broad objectives such as poverty eradication is, however, a challenging task, as multiple policy goals must often be pursued in parallel and conflicting demands balanced. A review of good practices in improving policy coherence shows the importance of political commitment to a given policy objective at the highest level, the need for a strategic policy framework to help ensure consistency and good information and analysis, as well as transparent decision-making.[13] Having strong public institutions monitoring and evaluating policy implementation is also crucial to the effective implementation of policies in the economic and social sectors.

53. Finally, improving policy coherence requires a favourable international policy environment, including through mutually reinforcing policies in trade, investment, agriculture, taxation, migration and other economic, social and environmental issues, as well as effective global governance. Governments in developed countries, in particular, must ensure that their policies — beyond aid — are supportive of, or at least do not undermine, socially, economically and environmentally sustainable policies in developing countries.

54. However, there is more than one path towards greater policy coherence. Any global governance system must provide ample room for countries to choose and implement local solutions to local problems. In particular, its dictates should not undermine developing countries' fiscal space to finance public policies in a sustainable way or their policy space, including their ability to implement countercyclical measures in response to external shocks.

[13] See, among others, Organization for Economic Cooperation and Development, *Better Policies for Development. Recommendations for Policy Coherence* (2011) and "Policy coherence for development: lessons learned", *OECD Policy Brief*, December 2008.

55. While concrete policy targets may vary depending on each country's level of development and structure of the economy, it is clear that macroeconomic policy frameworks should support both social development and an expansion of economic opportunities. Social development will not lead to any significant reduction in poverty and inequality if human capital resulting from social development programmes cannot be used for productive employment and decent work.

B. Financing of social development

56. It is now widely agreed that efforts to eradicate poverty, create jobs and promote sustained and inclusive growth are nationally owned endeavours. Greater domestic resource-mobilization efforts give countries the fiscal space that is necessary for expanding public spending on social sectors. They also enhance the capacity of countries to build more resilient economies. Furthermore, a greater reliance on domestic resources protects countries from the sudden shocks and uncertainties posed by fluctuations in export revenues, official development assistance flows and international financial flows, including foreign direct investment.

1. Enhancing domestic resource mobilization

57. Effective mobilization of domestic resources means that countries need to address a number of structural deficiencies and bottlenecks to social development through governance reforms and prudent macroeconomic management. This includes taking concrete steps to improve the management of revenues emanating from commodities such as hydrocarbons, minerals and timber, as well as more effective, fairer taxation policies (see A/66/329).[14] The impact of these resources on social development is greatest when they are invested in areas that strengthen human capital formation (education and health), create decent jobs, enhance food and nutrition security, protect the environment and effectively deliver public goods and services to those disadvantaged as a result of social exclusion, gender, age, geographical location or conflict. Tax-collection efforts should be supported by appropriate tax policies, modernized, transparent and equitable tax systems, effective tax administration, broadening of the tax base and combating tax evasion. Addressing tax evasion among small and large companies, as well as ensuring that small and medium-sized enterprises pay their fair share of taxes, will further enlarge the fiscal space of most countries. High levels of tax evasion undermine productivity growth by preventing Governments from investing in education, health and infrastructure. Therefore, developing countries should step up fiscal and tax-reform efforts, in addition to enhanced international tax cooperation.

58. In addition, countries need to prioritize social protection financing for building up and improving basic social protection floors. In its report, the Social Protection Floor Advisory Group[15] noted that national social protection floors were a social

[14] African Development Bank, Development Centre of the Organization for Economic Cooperation and Development, United Nations Economic Commission for Africa and African, Caribbean and Pacific Group of States, *African Economic Outlook 2010: Public Resource Mobilisation and Aid* (OECD and African Development Bank, 2010).

[15] International Labour Organization, *Social Protection Floor for a Fair and Inclusive Globalization* (Geneva, 2011).

and economic necessity and that their progressive implementation in most countries was affordable and feasible. There is also a growing body of evidence from the developing world of the successful implementation of basic social security packages.

59. Moreover, strengthening financial inclusion and the role of cooperatives can help channel domestic financial resources into social development. Financial inclusion, understood as universal access to a wide range of financial services, is seen as a means of helping to reduce poverty and meeting other social development objectives. It represents a broader concept than microcredit, in that it includes a range of financial services such as savings, payments and insurance, as well as credit. Inclusive finance strives to enhance access to financial services for both individuals and small and medium-sized enterprises. Financial and agricultural cooperatives facilitate access to financing in different contexts around the world, often in conjunction with social objectives.

2. Finding the balance between domestic and external resources

60. In several countries, efforts have been under way to seek a balance between a combination of domestic and external resources that would best finance social development in a sustainable way. In large part, this has been influenced by the risks related to the sustainability of external financing over time, dependency on such sources and subsequent questions about domestic ownership of national programmes. Furthermore, donors have been increasingly emphasizing concrete results. This has implied that interventions focus on immediate, short-term results. However, such interventions have not always been appropriate given disparate national contexts. There has also been expectation on the part of donors that recipient countries provide a domestic counterpart. These dynamics have increased the primacy of domestic resources for the financing of social development.

61. However, while domestic resources are less volatile, in many cases they are not enough to meet the needs of most poor countries. Hence, countries and their development partners should explore ways to better leverage official development assistance for social development and to scale up existing mechanisms to extend them in support of Millennium Development Goals such as those related to education, food security and poverty eradication. Additional international resources are required to help countries adapt to, and mitigate, the ongoing effects of climate change, empower people, build a safer and more secure world, and support countries in transition as well as those affected by natural disasters.

62. To date, official development assistance has increased to a record $129 billion, but continues to fall short of commitments (see A/66/126). Moreover, aid delivery has been procyclical and volatile. At the same time, the world financial and economic crisis has negatively affected future aid prospects. According to a recent Organization for Economic Cooperation and Development survey, country programmable aid will grow at 2 per cent per year between 2011 and 2013, compared to the average of 8 per cent per year between 2008 and 2010.[16] Greater efforts are therefore required to ensure that developed countries fulfil their commitment to allocate 0.7 per cent of their GNP to overall official development

[16] United Nations, *World Economic Situation and Prospects* (United Nations publication, Sales No. E.12.II.C.2).

assistance, including between 0.15 per cent and 0.2 per cent to least developed countries. Implementing aid pledges, such as those contained in the New Alliance on Food Security and Nutrition that was announced at the Group of Eight (G8) Camp David Summit in 2012, is important to ensuring that developing countries attain food security and are better equipped to fight extreme poverty, hunger and malnutrition. This initiative continues the momentum which started with G8 commitments to global agricultural development made at the 2009 meeting in L'Aquila, Italy.

63. Additional efforts should be made to enhance the contribution of foreign direct investment to social development efforts, as it remains a major component of private capital flows to developing countries and is estimated to have amounted to over $300 billion in 2010 (see A/66/329). Foreign direct investment might spur social development in various ways, including through investing in social sectors such as education, health, clean drinking water, sanitation and energy, supporting linkages to local industries and markets, enhancing local enterprise development and bringing in corporate social responsibility.

64. Migrant workers' remittances have grown considerably during the past decade, reflecting an increase in international migration and better measurement of remittances. Officially recorded remittances to developing countries totalled $372 billion in 2011, representing an increase of 12 per cent over 2010.[17] This highlights the increasingly important role of diaspora communities as providers of external financing. Much of the funding received through remittances is spent by households on food, housing, health and education, all areas of concern for social development. Greater efforts need to be made by both host and home countries to tap the economic potential of diasporas, including through providing an enabling legal, regulatory and institutional environment to encourage investment in the host and home countries and reducing remittance costs.

65. International trade can serve as an engine for social development, mainly through job creation in formal sectors, enhancing domestic productive capacities in global value chains and skills upgrading. Short-term adjustment measures, such as support of in-job learning and skills upgrading, and long-term policies that include unemployment benefits and support of science, technology and language skills in formal and informal education, can help minimize potentially adverse effects of a transition towards a more liberalized trade regime and cushion against reduced trade revenues in times of global crisis.

66. International debt relief efforts, such as the Heavily Indebted Poor Countries Initiative, have reduced the debt burden of poor countries. Despite remaining challenges, this initiative has enhanced the fiscal space for pursuing poverty-reducing social policies in the countries concerned. However, the absence of an efficient, fair debt-restructuring mechanism makes resolving debt problems an arduous, prolonged and costly process, often with serious social implications.

[17] World Bank, "Remittance flows in 2011 — an update", *Migration and Development Brief No. 18*, Migration and Remittances Unit, 23 April 2012.

IV. Recommendations

67. In order to accelerate progress towards the implementation of the outcome of the World Summit for Social Development and other social development goals and to ensure that the recovery from the global crises will be sustainable, the General Assembly may wish to consider the following recommendations:

(a) **The central objective of macroeconomic and social policies should be the creation of productive employment and decent work, since decent employment opportunities are the main way out of poverty and the main means towards inclusive, equitable and sustained economic growth. In this regard, countries should be encouraged to accelerate efforts and devote additional resources to creating employment opportunities for groups that suffer disproportionately from the lack of productive employment and decent work;**

(b) **Governments should consider implementing a social protection floor, consistent with national priorities and circumstances, given the importance of universal access to social protection to break the cycle of poverty and reduce inequality. Governments should consider extending the scope of social protection programmes, where these do exist, in order to make the recovery sustainable and future economic growth more inclusive and equitable;**

(c) **Greater efforts should be made to scale up investments in education, health, agriculture and infrastructure, as well as to strengthen leadership, governance and institutions, in order to enable Africa and the least developed countries to sustain positive growth trends, including consolidating further the gains already made in a number of areas;**

(d) **Continued and more practical efforts are required to address the domestic financing gaps faced by many developing countries if these countries are to sustainably finance their own social and economic development. Prioritizing and scaling up efforts to mobilize domestic resources should continue to be complemented by official development assistance commitments already made by developed countries;**

(e) **Special attention should be paid to promoting the participation and empowerment of all members of society in sustainable poverty-reduction efforts. Hence, Governments should be encouraged to address society-wide patterns of inequality, discrimination and exclusion and to take measures to empower all segments of society to participate in decision-making processes, with a particular focus on disadvantaged groups, including women, youth, older persons, indigenous peoples and persons with disabilities.**

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Eradication of poverty and other development issues

Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 66/215 on the Second United Nations Decade for the Eradication of Poverty (2008-2017), in which the Assembly requested the Secretary-General to submit a report on the implementation of the resolution under the theme "Full employment and decent work for all". The report examines trends and challenges relating to poverty eradication, with a particular emphasis on productive employment and decent work, the youth employment crisis and the persistent challenge of rural poverty. It also takes stock of the latest activities and joint initiatives undertaken by relevant organizations of the United Nations system in response to the plan of action for the Second Decade and concludes with a set of recommendations.

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I. Introduction

1. The objective of the Second United Nations Decade for the Eradication of Poverty (2008-2017) is to support, in a coordinated manner, the follow-up to the implementation of the internationally agreed development goals, including the Millennium Development Goals, relating to the eradication of poverty. Productive employment and decent work for all are central to poverty eradication, the achievement of the Goals and the promotion of equitable, inclusive and sustainable development. The 2012 annual ministerial review of the Economic and Social Council focused on the theme "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals". The annual ministerial review provided an opportunity to foster agreement on the key policies for promoting employment creation and decent work for all, productive capacity, and inclusive, equitable and sustainable growth. It also highlighted the importance of addressing youth unemployment, enhancing social protection and promoting decent work in rural areas for achieving food security.

2. The present report addresses trends and challenges in poverty eradication, and describes progress achieved in, and the outlook for, poverty reduction, with a focus on the current theme of the Second Decade, decent and productive employment. It also examines the current youth employment crisis and the persistent challenge of rural poverty. The report provides an overview of the measures carried out by the United Nations system to implement the system-wide plan of action for the Second Decade and concludes with recommendations for consideration by the General Assembly.

II. Trends and challenges in poverty eradication

A. Current trends

Poverty

3. At the global level, extreme poverty has continued to decline despite the challenges posed by the financial and economic crisis and the food and fuel price volatility experienced since 2008. According to World Bank estimates, at the end of 2010, five years before the target date, the world had reached the global target of halving, between 1990 and 2015, the proportion of people living in extreme poverty.[1] However, this global achievement masks the ongoing challenges in poverty eradication faced by most developing countries.

4. The vast majority of the decline in extreme poverty at the global level occurred in East Asia and the Pacific. In 1990, nearly half of the world's people living in extreme poverty were located in East Asia and the Pacific, with more than one third in China alone. In 2008, China accounted for only 13.5 per cent of the people living in extreme poverty, having reduced its poverty headcount ratio from 60.2 per cent in 1990 to 13.1 per cent in 2008. During that period, the number of persons living in extreme poverty dropped from 683.2 million to 172.9 million. At present, the greatest proportion of people living in extreme poverty are in South

[1] See World Bank, *World Development Indicators 2012* (Washington, D.C., 2012).

Asia (45 per cent), and sub-Saharan Africa has the highest poverty headcount ratio (48 per cent).[2]

5. While the rates of extreme poverty have declined in all developing regions, the rate of decline in many countries has not been sufficient to reduce the absolute number of people living in extreme poverty. In sub-Saharan Africa, nearly 290 million people lived in extreme poverty in 1990; by 2008, the figure had increased to 386 million.[2]

6. Of equal concern is the more modest progress in reducing the number of persons teetering at the brink of extreme poverty, particularly in South Asia and sub-Saharan Africa. Between 1990 and 2008, the number of people living on $1.25 to $2 a day increased by some 77 million in sub-Saharan Africa and 212 million in South Asia. In these regions, the poverty headcount ratio at the $2 per day threshold is 69 and 71 per cent respectively. Even in East Asia and the Pacific, where poverty reduction has been greatest, more than one third of the population still lived below the $2 per day threshold in 2008.[2]

Employment and poverty eradication

7. While it is undeniable that sustained and rapid economic growth has been a pivotal element in the success of many countries in reducing poverty, the effects of that growth on employment and productivity have been particularly significant in determining the impact of growth on poverty.

8. Among the developing regions, those that have experienced a rapid decline in poverty ratios have also seen long periods of high growth coupled with the lowest unemployment rates and high employment-to-population ratios. In East Asia and the Pacific, except for a slump in the late 1990s, growth in gross domestic product (GDP) has remained at or above 7 per cent per year since 1991, peaking at nearly 12 per cent in 2007.[2] At the same time, unemployment rates in East Asia have stayed at around 4 per cent since 2000, one of the lowest averages in the world for the period, surpassed only by South Asia. Since 2000, the employment-to-population ratio in the region remained well above the world average, consistently exceeding 70 per cent. While East Asia's annual employment growth has been average compared with other regions, output per worker has grown faster than in any other region.[3] New research points to shifts in labour supply from the rural areas to the growing urban sectors as a critical element in the reduction of overall poverty in the region.[4]

9. South Asia experienced similar shifts in labour distribution, although they were not as marked as in East Asia. This region saw significant growth in employment from 2001 through 2007, before the crisis hit, averaging 2.5 per cent growth per annum from 2001 to 2006 and 2.4 per cent growth in 2007.[3] In addition, the growth in output per worker was well above the world average for this period, second only to East Asia.

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[2] Calculated based on data from World Bank, *World Development Indicators 2012* (Washington D.C., 2012).

[3] See International Labour Office, *Global Employment Trends 2012: Preventing a deeper jobs crisis* (Geneva, 2012).

[4] See Martin Ravallion, "A comparative perspective on poverty reduction in Brazil, China and India", Policy Research Working Paper, No. 5080 (Washington, D.C., World Bank, 2009).

10. Despite the marked progress in reducing extreme poverty in South Asia, working poverty presents a major challenge to efforts in this region. According to International Labour Organization (ILO) estimates, more than 35 per cent of workers in South Asia live with their families on less than $1.25 a day, and at the $2-per-day mark, the proportion almost doubles to 67 per cent.[3]

11. In sub-Saharan Africa, reductions in the number of poor have proved difficult despite nearly a decade of growth near or above 4 per cent peaking near 7 per cent in 2007.[1] Unemployment rates for the period remained at around 9 per cent, with the share of workers in vulnerable employment near 80 per cent.[3] In addition, there was a limited shift in the distribution of the labour force, with more than 60 per cent of the employed labour force working in the agricultural sector. Nonetheless, there was a slight shift of labour from the agricultural to the services sector in the past decade. Working poverty thus remained a marked challenge in this region, and only the Middle Eastern countries were slower to reduce the share of the working poor. While there was some reduction in the share and numbers of working poor living on less than $1.25 a day, the number living on less than $2 per day actually increased between 2000 and 2011.

12. The number of persons working in vulnerable employment is a significant factor in the employment-poverty nexus. Between 2000 and 2011, the world's share of workers in vulnerable employment fell by less than 4 per cent, a shift too slow to reduce the actual numbers. According to ILO estimates, the number of workers in vulnerable employment has grown by some 136 million since 2000 reaching more than 1.5 billion by 2011. The number of workers in vulnerable employment increased in all developing regions except Central and Eastern Europe and in the Commonwealth of Independent States.[3] South Asia and East Asia still have the highest proportion in the world of workers in vulnerable employment, although the numbers in East Asia fell by around 29 million.

13. Working poverty and vulnerable employment present a particular challenge to poverty reduction because workers in these categories are particularly vulnerable to economic shocks and other socioeconomic challenges. In most instances, poor people are dependent on employment as the sole source of income. If their own productive capacities, or the available forms of employment, do not allow them to improve their well-being and that of their families, they remain trapped in a cycle of working poverty.

Additional challenges for poverty eradication

14. Increases in unemployment and underemployment can mean reduced access to essential social services and other opportunities, particularly in times of economic hardship, in countries where income support is not provided. In many developing countries, access to health care has proved difficult in the aftermath of the crisis and, in some countries, lowered incomes and reduced government spending have increased the financial burden on poor households, leading to a rise in school drop-out rates.[5] In Latin America and the Caribbean, attention to non-economic factors has buffered the negative effect of the crisis on poverty reduction, and in some cases, has allowed for significant and sustained reductions in poverty despite

[5] See International Institute for Labour Studies, *World of Work Report 2012: Better jobs for a better economy* (Geneva, International Labour Office, 2012).

moderate growth. During the crisis period, many countries in the region were able to sustain reductions in poverty through income support measures such as conditional cash transfers.[6]

15. Rising food prices have also posed a challenge to poverty reduction in recent years. The greatest proportion of poor people's income (50 to 70 per cent) is spent on food, and the poor therefore bear a disproportionate burden in adjusting to higher food prices.[7] Not only did the World Bank food price index peak in 2011, exceeding 2008 levels, but international price increases were also more widespread than in 2008. Although it is true that the overall impact of food price spikes on poverty eradication depends on whether the proportion of the world's poor who are net buyers surpasses the proportion of the poor who are net sellers, analysis of the 2008 spikes revealed that they had a greater negative impact on poverty.[7] Efforts should therefore be made to reduce the current volatility.

16. In addition to the growing geographical shifts in the global concentrations of poverty, there have been shifts in the concentration of poor people across countries of varying economic classifications. With the rapid growth in many of the larger developing countries, countries with large proportions of the world's poor have graduated to middle-income status. As a result, poverty is no longer concentrated in low-income countries. However, poverty continues to decline at a slower rate in low-income countries.

Policy and poverty eradication

17. In the near term, the growth that has fed poverty reduction up to this point remains threatened by further economic downturn. The world appears poised on the brink of a double-dip recession. Growth was slow in 2011 and is expected to be even slower in 2012 and 2013, prompted mainly by poor performance in advanced economies.[8] The effects of this downturn on employment and poverty reduction could be significant, especially if current policy stances in the developed world do not shift towards addressing the ongoing jobs crisis.

18. A second recession would negatively affect the performance of developing countries through the effects of trade and finance. World trade has and will continue to slow owing to feeble economic growth, particularly in developed countries. Although there has been some increase in South-South trade and other economic relations, developing economies and economies in transition remain vulnerable to changes in the economic conditions in developed countries. For example, should a second recession occur, continued volatility in commodity prices could challenge growth in developing countries with a high dependence on commodity exports.[8]

19. For poverty reduction to continue in this environment, special attention needs to be paid to redistribution and structural transformation to ensure that vulnerable populations are less likely to slip through the cracks. As was the case with Latin America in the current period, the focus should be on income support and access to

[6] See Economic Commission for Latin America and the Caribbean, *Social panorama of Latin America* (Santiago de Chile, 2011).

[7] See World Bank and International Monetary Fund, *Global Monitoring Report 2012: Food Prices, Nutrition and the Millennium Development Goals* (Washington, D.C., 2012).

[8] See *World Economic Situation and Prospects 2012* (United Nations publication, Sales No. E.12.II.C.2).

such basic social services as health care and education. Terms of trade and commodity price controls are also important factors in ensuring access to food for many of the world's poor.

20. While the long-term outlook for future reduction in extreme poverty is fairly positive across all world regions, there are significant challenges in the short term. The World Bank's *Global Monitoring Report 2012: Food Prices, Nutrition and the Millennium Development Goals* suggests that the pace of poverty reduction will accelerate in all world regions except East Asia and the Pacific. The concentration of the poor and the current pace of reduction in East Asia and the Pacific will slow global progress. Nevertheless, by 2015, the World Bank estimates that only 16 per cent of the world's population will be living below $1.25 a day, with Eastern Europe and Central Asia approaching eradication at less than 1 per cent.[7]

21. Recent research has forecasted much more optimistic progress, suggesting a global poverty rate around 10 per cent in 2015.[9] While the estimates for other regions are quite close to the World Bank estimates, those for East Asia and the Pacific as well as South Asia, are around three times lower than those of the World Bank. The vast difference in projected outcomes for these two regions points to a nuance in the methodology of the Brookings Institution that highlights one of the major challenges to poverty eradication today and in the future, namely, the growth of inequality.

22. In the Brookings projections, the assumption is that income distribution will be constant through 2015, but as recent evidence shows, in the world's fastest growing economies in East Asia and South Asia, inequality is also growing, and inequality dampens the benefit of growth for the poor. Ironically, the same elements that are driving rapid growth in these regions, namely, technological change, globalization and market-oriented reforms, are fuelling Asia's growing inequalities. As highlighted by the Asian Development Bank in *Asian Development Outlook 2012: Confronting Rising Inequality in Asia*, if left unchecked, these forces tend to favour capital over labour, urban areas over rural areas, and high-skilled workers over lower-skilled workers. When coupled with systemic inequities in the ability to earn income from labour and build human capital, institutional weaknesses and market inequities open the gaps in inequalities within society.

23. In order to ensure continued progress in poverty reduction in these and other regions, efforts need to be made to stem these effects through to policy interventions that address both economic and non-economic inequalities. This focus has proved effective in Latin America, where inequalities have been receding since the late 1990s and where, despite only moderate growth, poverty reduction has been sustained.

24. With regard to policies, the eradication of poverty and the promotion of employment require coordinated responses at both the national and international levels that lead to sustained, inclusive and equitable economic growth. Urgent policy priorities include moving macroeconomic and social policies away from austerity measures to promoting job creation, decent work and the expansion of social protection schemes. In addition, the effects of global crises, including the

[9] See Laurence Chandy and Geoffrey Gertz, "Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015", Global Views Series, No. 18 (Washington, D.C., The Brookings Institution, 2011).

financial and economic crisis and fluctuations in food and fuel prices, highlight the need for international financial market regulation that reduces the risk of economic crises.

25. Without basic social transfer schemes that foster access to education, health care and adequate levels of nutrition, countries cannot unlock their productive potential and ensure a sustainable economic recovery. Social protection has proved to be a powerful instrument in reducing poverty and inequality, as well as an anti-crisis measure. It is a basic contribution to protect and empower people and accelerate recovery, as well as a foundation for sustained, inclusive and equitable economic growth. Yet, around 80 per cent of the global population lacks access to comprehensive social protection. The Social Protection Floor Initiative launched by the United Nations system in 2009 recognizes the importance of social protection as a necessary component of a comprehensive development strategy that addresses poverty, inequality and social exclusion and at the same time seeks to invest in people as a prerequisite for sustainable and fairly shared economic growth.[10] Promoting universal access to social services and providing social protection floors can make an important contribution to equitable growth.

B. Youth employment crisis

26. With less than half the global youth population actively participating in the labour market and the majority of young people in developing countries working in the informal economy, the world is experiencing a youth employment crisis. The persistent challenge of youth unemployment and underemployment has been aggravated by the financial and economic crisis, especially in the developed countries. The move by a growing number of countries towards fiscal austerity and reduced social spending, job cuts and calls for greater labour market flexibility, have increased the vulnerability of youth to joblessness, underemployment and working poverty and have contributed to increased social unrest.

Extent of the crisis

27. Young women and men represent 40 per cent of the 200 million jobless people worldwide and are nearly three times more likely than adults to be jobless. Young people have long held a disproportionate share of unemployment, but the situation has worsened in the aftermath of the 2008 economic crisis. The global youth unemployment rate rose from 11.9 to 12.9 per cent between 2008 and 2009, the peak of the financial and economic crisis, marking the largest annual increase in youth unemployment in the 20 years for which global estimates are available.[11] In 2011, 74.8 million young people (12.7 per cent) remained unemployed, and an estimated 6.4 million discouraged young people dropped out of the labour market altogether. The youth labour force participation rate decreased globally from 52.9 to

[10] The International Labour Conference held in June 2012 adopted a new recommendation on the construction of national social protection floors designed to reduce poverty by filling gaps in social support systems. In the recommendation, countries are requested to implement their social protection floors as early as possible in national development processes.

[11] See International Labour Office, *Report V: The youth employment crisis: Time for action*, International Labour Conference, 101st session (Geneva, 2012).

48.7 per cent between 2000 and 2011, indicating that less than half of young people aged 15 to 24 were actively participating in the labour markets.[3]

28. Young people suffer disproportionately from unemployment in all regions of the world. In 2011, the regional rates for youth unemployment were the highest in North Africa (27.1 per cent) and the Middle East (26.2 per cent), where young people were four times more likely than adults to be jobless.[3] In some Middle Eastern countries, unemployment is mainly a youth phenomenon: in Saudi Arabia, the youth unemployment rate in 2011 stood at 30.8 per cent compared to an adult unemployment rate of 3.1 per cent.[12] Between 2007 and March 2012, the countries of the Organization for Economic Cooperation and Development (OECD) experienced their largest increase in the youth unemployment rate, from 12.8 to 17.1 per cent. The European Union saw an even larger increase, from 15.1 to 22.6 per cent.[13] In some of the most affected countries, such as Spain and Greece, the youth unemployment rate more than doubled during the time period, and currently stands at the alarming rates of 51.1 and 51.2 per cent respectively.[14] The figures show that the youth unemployment crisis has had devastating consequences in some of the developed countries, with more than half of their young workforce being unemployed.

29. However, in many developing countries, the main challenge is not necessarily youth unemployment but the deficit in decent job opportunities for young people and working poverty. In these countries, young people struggle to make ends meet and frequently need to rely on work in the informal sector or earn income through own-account activities without adequate pay, social protection or working conditions. In the 52 countries for which data are available, young people accounted for 23.5 per cent of the total working poor but only 18.6 per cent of non-poor workers, suggesting that young people are more likely than adults to belong to the ranks of the working poor.[15]

30. Further, young women and persons from socially disadvantaged groups suffer disproportionately from decent work deficits and unemployment, forcing them to rely on low-quality jobs and the informal jobs market. Young women are also more likely to be unemployed: in 2011, in North Africa, the unemployment rate for women stood at 19 per cent and a staggering 41 per cent for young women.[3] Young people from disadvantaged social groups, including indigenous peoples, ethnic minorities and persons with disabilities are at a particular disadvantage in finding a decent job and are overrepresented among the poor.

Addressing youth employment

31. To create more and better jobs for young people, governments need to implement integrated youth employment policies and programmes that address the

[12] Average 2006-2010. See: ILO, Statistical update on Arab States and territories and North African countries (2011). Available from http://laborsta.ilo.org/sti/DATA_FILES/20110525_Arab_States.pdf.

[13] See International Labour Office, *Global Employment Trends for Youth: 2011 update* (Geneva, 2011).

[14] For data, see OECD, "Youth unemployment rates in OECD countries, December 2007 to March 2012" (Paris, 2012).

[15] See International Labour Office, *Key Indicators of the Labour Market*, 7th Edition (Geneva, 2011).

supply and demand sides of the labour market and decent work deficits. In developing countries, where young people are often underemployed and working in the informal sector, Governments need to improve the quality and productivity of the employment options available to them.

32. Economic policies should focus on employment creation, particularly for young people and vulnerable groups, who bear the greatest burden of the ongoing jobs crisis. This requires a coherent policy framework and supportive macroeconomic policies oriented towards sustained, inclusive, equitable and job-rich growth with an explicit focus on employment creation.

33. In addressing youth employment, Government policies must address the high labour market segmentation as well as informal sector employment. Young people are overrepresented in flexible work arrangements and in the informal economy, leaving them to bear the brunt of employment losses during recessions, and there is little wage adjustment in the more protected segment of the labour market. Governments must take policy measures to move towards a more equitable distribution of labour market risks and benefits and to abolish policies that discriminate against hiring young people. There is also a need to improve the income security and working conditions of informal workers by enforcing labour standards and expanding the coverage of social protection available to them.

34. An integrated approach to address the youth employment crisis would also need to include support for young people to develop their skills, address skills mismatches, find employment, and create opportunities for self-employment and entrepreneurship. Active labour market policies are important to assist young people in finding appropriate employment, to support unemployed youth in regaining employment, and to provide education, training and support to disadvantaged youth. Governments should also actively support enterprise-development programmes, particularly for small and medium-sized enterprises, to offer young people opportunities for self-employment.

35. In all these processes, it is important to ensure the participation of young people in the planning and implementation of policy. National action plans and strategies to foster youth employment can be useful but such plans need to have strong support and must be based on broad participation.

36. At the international level, recognizing the urgency and importance of addressing youth issues, the Secretary-General has made working with and for young people a priority of his five-year action agenda. In this regard, he called upon the United Nations to deepen the youth focus of existing programmes on, inter alia, employment, entrepreneurship and education.[16] To advance this agenda, the United Nations system will develop and implement an action plan; create a youth volunteer programme under the umbrella of United Nations Volunteers; and appoint a Special Adviser for Youth.

37. The recent ILO International Labour Conference also addressed the youth employment crisis and called for action and innovative approaches to respond to the challenges faced by young people.

[16] See the Secretary-General's Five-Year Action Agenda, 25 January 2012, available from http://www.un.org/sg/priorities/sg_agenda_2012.pdf.

C. Rural poverty and decent work

38. A significant number of rural people are among the working poor, and poverty continues to be a disproportionately rural phenomenon. A variety of disparities, particularly in employment, between rural and urban areas prevent rural women and men from contributing fully to the development of national economies. A decent-work-centred approach to rural development is needed in order to address rural poverty.

Focus on the rural working poor

39. At least 70 per cent of the world's extremely poor people live in rural areas. There has been a significant decline in rural poverty in the past two decades. However, as with the overall progress in poverty reduction, this decline is mainly owing to a massive reduction in rural poverty in East Asia, where the rate of extreme rural poverty is presently estimated at 15 per cent. Rural poverty has declined more slowly in other developing regions, particularly South Asia and sub-Saharan Africa, where rural poverty stands at 45 and 60 per cent respectively. Even within regions, progress has been mixed. For example, in sub-Saharan Africa, rural poverty declined in much of East and West Africa but increased in Middle Africa; rural poverty declined in North Africa, but increased in the Middle East.[17]

40. Issues of underemployment and its related disadvantages can prove especially challenging in rural environments. For instance, approximately 40 per cent of the world's population, and most of the rural dwellers, work in the agricultural sector, where many of the jobs are informal, poorly paid and seasonal, or involve self-employment or unpaid family work.[17] Poor people in rural areas with limited access to productive assets and social protection often earn a living only from their labour. While poverty is frequently associated with unemployment, in the rural areas of developing countries, poverty is predominantly a problem of poor employment quality, resulting in high shares of underemployed and poorly paid workers and low levels of labour productivity.

Promoting rural development through decent work

41. An employment and decent-work-centred approach to rural and agricultural development is crucial to fighting poverty in a sustainable manner. There is an urgent need to address both the quality and quantity of employment opportunities in rural areas. Important challenges to decent work in rural areas include low pay, informality, poor working conditions, inadequate social protection and lack of representation. Additional challenges include the unequal treatment of women, young people and other vulnerable groups, and increased migration to urban areas owing to poor work prospects in rural areas. These challenges make it important to integrate the decent work agenda into agriculture and rural development, bearing in mind such key issues as gender equality, disadvantaged groups and young people.

42. Rural development is critical to food security and poverty reduction and is an engine for economic growth in many developing countries. At the United Nations Conference on Sustainable Development (Rio+20), the Secretary-General launched

[17] International Fund for Agricultural Development, *Rural Poverty Report 2011: New realities, new challenges: new opportunities for tomorrow's generation* (Rome, Ugo Quintily, 2011).

a "zero hunger challenge" to galvanize all stakeholders to eliminate hunger worldwide, including by supporting smallholder farmers, who produce most of the world's food. The International Fund for Agricultural Development (IFAD) has estimated that feeding a global population of just over 9 billion in 2050 will require a 70 per cent increase in global food production. This will require not only extensive investments in agricultural productivity but also support for smallholder farmers and measures that address the concerns of the rural poor.[17]

43. In order to meet the rural development potential, the rural poor must have avenues for full participation in social and economic life. Their capabilities must be strengthened and the sources of their vulnerability must be addressed build more secure livelihoods. This requires a combination of short-term and long-term actions to support rural development, including investing in agricultural productivity and rural infrastructure; improving access to quality education and training, and health care; improving and enforcing labour laws; and designing social protection schemes for rural areas to address the decent work deficits.

44. There is also a need to create an enabling environment for the private sector and for small farmers in particular by improving access to credit, agricultural inputs and information; balancing international trade and domestic market development policies; and supporting rural enterprise development, particularly by improving smallholder stakes through the development of cooperatives and other producer organizations. In addition, there is a strong need for coherence, coordination and collaboration among the national and international actors working in this area.

III. United Nations system-wide plan of action for the Second United Nations Decade for the Education of Poverty (2008-2017): activities and collaborative initiatives

45. A number of agencies, funds and programmes and regional commissions undertook various activities and joint efforts to implement the United Nations system-wide plan of action for the Second Decade for the Eradication of Poverty (2008-2017) by promoting full employment and decent work for all. The activities described below are grouped into thematic areas and are based on the inputs received from the various United Nations organizations.[18]

A. Promoting greater awareness about employment and decent work as an effective development strategy for poverty reduction

46. Across the United Nations system, increased emphasis was placed on the importance of employment and decent work in social and economic development. This emphasis was applied at all levels of work, shaping intergovernmental deliberations and informing regional and country-level interventions.

47. The 2012 annual ministerial review of the Economic and Social Council provided an opportunity to foster agreement on the key policies for building productive capacity and promoting inclusive and sustainable economic growth in

[18] For more detailed information, see http://social.un.org/index/Poverty/UNDecadefortheEradicationofPoverty/SecondUNDecadefortheEradicationofPoverty.aspx.

developing countries. It also enabled an assessment of progress towards achieving employment-related goals and commitments, and highlighted the positive synergies among employment, poverty reduction and the achievement of the Millennium Development Goals and other internationally agreed development goals. The deliberations at the review served as a catalyst for the realization of employment-related goals and commitments. A number of activities were held at the national, regional and global levels in preparation for the 2012 review.

48. In supporting the 2012 annual ministerial review and other intergovernmental processes, the Department of Economic and Social Affairs focused much of its analytical work on the issues of employment and poverty reduction. Its *The Global Social Crisis: Report on the World Social Situation 2011* was critical in addressing the adverse social consequences of the global economic and financial crisis of 2008-2009, in particular rising unemployment and vulnerability, poverty and food insecurity. The report strongly underlined important lessons from national responses to the global crisis, the importance of inclusive social policies and the need for universal social protection. A key conclusion of the report was that countries need to be able to pursue countercyclical policies in a consistent manner.

49. In its report *World Economic Situation and Prospects, 2012*, the Department of Economic and Social Affairs discussed the global jobs crisis, including high youth unemployment, and several policy directions to avoid a double-dip recession, including optimal design of fiscal policies to stimulate more direct job creation and investment in infrastructure, energy efficiency, sustainable energy supply and food security. It also discussed the provision of sufficient support to developing countries in addressing the fallout from the crisis and the coordination of policy measures at the international level.

50. The United Nations system provided strong support to the annual ministerial review and other intergovernmental processes addressing employment and decent work.

51. The Food and Agriculture Organization of the United Nations (FAO) contributed to the 2012 annual ministerial review, by organizing a joint side event in collaboration with ILO, IFAD, the Department of Economic and Social Affairs and the World Food Programme (WFP) on the theme "Promoting decent work in rural areas to achieve food security".

52. The United Nations Development Programme (UNDP) worked closely with the Department of Economic and Social Affairs and ILO on a number of initiatives leading up to the 2012 annual ministerial review. An e-discussion on jobs, decent work and inclusive growth generated 148 contributions from 90 countries and presented an opportunity to formulate policy messages for the review. UNDP also participated in several expert panels on inclusive growth and employment organized by the Department of Economic and Social Affairs. Jointly with FAO and ILO, UNDP undertook case studies on employment, decent work and social protection initiatives.

53. ILO continued its analytical work on decent work and employment issues. Its report *World of Work 2012: Better jobs for a better economy*[19] discussed the impact

[19] Available from http://www.ilo.org/global/publications/books/world-of-work/WCMS_179453/lang--en/index.htm.

of the global economic and financial crisis on poverty and income inequality. It stressed that the social impacts of the current global crisis have been manifold, since rising unemployment and falling incomes further deepen poverty and worsen inequality. ILO also submitted a report at the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul, Turkey, in 2011, entitled "Growth, Employment and Decent Work in the Least Developed Countries".[20] The report provided a sectoral analysis of key policy challenges in least developed countries, examined the relationship among GDP growth, productive employment and decent work, and analysed the financial and administrative feasibility of nationally defined social protection floors in least developed countries.

54. Similarly, FAO's *The State of Food and Agriculture 2010-2011: Women in Agriculture: Closing the gender gap for development*, focused on women in agriculture, emphasizing gender inequalities in rural labour markets and the need to address those inequalities in order to improve the performance of the sector.

55. In cooperation with its member countries, the Economic and Social Commission for Western Asia (ESCWA) promoted decent work and poverty eradication in the region. ESCWA completed several studies on active labour market policy, labour market structures and challenges, and economic policy and its impact on employment. The *Survey of Economic and Social Developments in the ESCWA Region, 2010-2011* reflected the recent changes witnessed in the region and reviewed past social and economic policies. It dedicated a chapter to social policy with a focus on trends in health, education, labour markets and social protection. ECSWA also organized several workshops and expert group meetings that addressed labour markets, social protection and poverty reduction.

B. Strengthening capacity-building

56. The Organization continued to support capacity-building for poverty eradication and decent work for all by emphasizing training, skills development and knowledge-sharing.

57. Within the framework of the system-wide plan of action for the Second United Nations Decade for the Eradication of Poverty (2008-2017), the Department of Economic and Social Affairs in collaboration with ILO, IFAD and FAO, co-organized an expert and inter-agency meeting on broadening coherence and collaboration in respect of rural development through employment and decent work in November 2011, in Rome. The participants identified specific areas for collaboration and a set of initiatives to be undertaken jointly by agencies to "unleash rural development through employment and decent work".

58. The Department of Economic and Social Affairs also organized an expert group meeting on the challenge of building employment for a sustainable recovery in June 2011, in Geneva. The participants reviewed national and regional perspectives on the global jobs crisis, identified good practices in preserving existing jobs and in generating new ones, and discussed lessons learned. They also considered strategies at the national and international levels to create productive employment during the recovery as a central strategy for poverty eradication and

[20] Available from http://www.ilo.org/empelm/info/docs/WCMS_153868/lang--en/index.htm.

social integration in order to assist countries in adopting policies consistent with the Global Jobs Pact.

59. FAO conducted several capacity-building and technical support activities on decent rural employment through different partnerships and programmes. It provided technical support on youth employability and entrepreneurship through technical cooperation projects and promoted rural youth employment through the Junior Farmer Field and Life Schools skills-building programme. Together with ILO, it also conducted capacity-building activities for senior technical staff and other national stakeholders in Cambodia, Malawi, Mali and the United Republic of Tanzania.

60. ILO worked at the country level to strengthen capacity-building for young people and supported a youth employment action plan for 2009-2012 in Peru. Some 370,000 young people benefited from a streamlined job application process introduced by the Public Employment Service, the implementation of a youth training programme, and an information and orientation service for young migrants. In Serbia, ILO supported a youth employment strategy that included the provision of active labour market services targeting more than 3,500 disadvantaged young people; 85 per cent have entered full-time employment, half of them at the enterprise where they received the training.

61. The International Monetary Fund (IMF) provided financial assistance and focused on job-rich growth in its policy advice. IMF provided financial assistance to low-income countries to support countercyclical policies that protect social spending and place emphasis on protecting vulnerable groups. It worked with ILO to strengthen its focus on policies that promote job-rich growth and to foster effective social dialogue to build the consensus needed to tackle the adjustment challenges. Against this backdrop, IMF established a working group on jobs and growth to develop proposals on how the Fund can help member countries to achieve more inclusive growth.

62. In the area of entrepreneurship development and self-employment, UNDP supported business-skills development and access to finance to support micro, small and medium enterprises and the linkages of those enterprises to existing markets. For example, in Mongolia, UNDP helped to establish a financial credit mechanism for medium and small enterprises that provide loans at a special rate to UNDP-assisted small and medium entrepreneurs.

63. UNDP designed its own corporate youth strategy, in line with the United Nations system-wide action plan on youth, with a focus on youth employment and participation. At the country level, UNDP focused on bridging the gap between demand for and supply of labour and helped low-skilled workers to upgrade their skills. In Georgia, it helped to overhaul the out-of-date vocational and educational training curriculums. As a result, 70 per cent of the participants obtained employment. In a number of countries, UNDP also helped Governments to design, implement and monitor public work programmes that provide low-skilled workers opportunities for employment or mitigate the impact of the crisis.

64. The entrepreneurship curriculum programme of the United Nations Industrial Development Organization (UNIDO) was implemented in several African countries, including Angola, Mozambique, Namibia, Rwanda, Uganda, the United Republic of Tanzania, and in Timor-Leste. UNIDO also launched the practical guidebook

"Making private standards work for you" in 2010. In addition, programmes in Afghanistan, the Democratic Republic of the Congo, Iraq, Somalia and the Sudan helped to develop technical skills in a range of sectors, raised the employability of young people and promoted entrepreneurship in rural areas. Formal curriculum development initiatives were successfully implemented in Angola, Cape Verde and Mozambique.

65. The Economic Commission for Latin America and the Caribbean (ECLAC) provided technical cooperation to countries to implement time-use surveys and satellite accounts to measure unpaid work. The user-producer strategy facilitated the development of positive synergies between national statistical bureaux and national mechanisms for the advancement of women. ECLAC also rendered technical assistance to countries to reform their public-care policies on children and older persons (for example, in Costa Rica and Uruguay), and analysed conditional cash transfer programmes to see if they had improved women's access to economic resources.

66. ESCWA assisted countries in ensuring food security, alleviating poverty and improving livelihoods. In collaboration with its partners, various consultations were held to address the need for more effective policy implementation, a regional knowledge platform, strategic approaches for food and water security, and the development of job-creating initiatives, particularly in rural areas.

C. Sharing best practices in promoting employment and decent work at the national and international levels

67. The importance of awareness-raising and information-sharing in regard to employment and decent work was emphasized across the United Nations system.

68. FAO conducted awareness-raising activities and shared good practices in respect of decent rural employment, particularly in the areas of child labour prevention in agriculture, youth employment promotion, and gender and rural employment. FAO worked in close partnership with ILO on decent rural employment; their work in this area is featured on the joint FAO-ILO website "Food, Agriculture and Decent Work".[21]

69. The UNDP Poverty Reduction Network supported country offices in knowledge-sharing and the promotion of good practices in a variety of poverty-related topics, including employment. Recent discussions focused on youth employment (Malaysia, the Sudan and Tunisia), public work programmes (Bangladesh and India) and national employment strategies (Maldives).

70. The United Nations Environment Programme (UNEP) carried out a joint initiative with ILO called the Green Jobs Programme, as part of the Programme of Action on a Green Economy. The initiative demonstrated that a global transition to a low-carbon and sustainable green economy could contribute to job creation in many sectors and to poverty reduction efforts. The UNEP-ILO study *Working towards sustainable development: Opportunities for decent work and social inclusion in a green economy* raised awareness about the decent work agenda at the global level.

[21] www.fao-ilo.org.

71. Through its green economy advisory services work, UNEP provided economic and policy assessments and advice on resource efficiency and a socially inclusive green economy by undertaking country-tailored assessments of key policy and investment options to transition to a green economy. Together with its joint Green Jobs Programme, UNEP also contributed to the sharing of good practices in promoting employment and decent work at the global level and supporting the integration of decent work towards poverty eradication into national and international policies and programmes.

72. UNIDO continued to promote gender equality and the empowerment of women and youth, mainly through rural, women's and youth entrepreneurship programmes in a number of countries, with a focus on the provision of entrepreneurial training to help build a sustainable foundation for private sector development.

D. Supporting the integration of decent work and poverty eradication into national and international policies and programmes

73. Organizations supported the integration of decent work and poverty eradication into national and international programmes.

74. In 2010 and 2011, ILO support enabled 29 countries to introduce policy and regulatory reforms to improve people's access to productive employment, decent work and income opportunities. ILO cooperation activities assisted Bosnia and Herzegovina, China, Iraq, Jordan, Mauritius, Nepal and Viet Nam and other countries in placing employment at the centre of national development strategies.

75. ILO and IMF continued their collaborative work to promote policy development in respect of employment and decent work and selected Zambia as the "test country" for collaboration. At a national conference in May 2012, the Government of Zambia, trade unions and employers agreed to work with ILO and IMF to promote a new strategy for employment, decent work and development, including a social protection floor.

76. UNIDO committed to provide high-level support to countries through its comprehensive strategy and 2012-2020 operational plan for least developed countries, which include a focus on employment in various sectors. UNIDO also launched *Agribusiness for Africa's Prosperity* in 2011 as part of an advocacy campaign to build the case for agribusiness development as a path to prosperity in Africa.

77. As part of the preparatory activities for Rio+20, consultations were held at ESCWA with stakeholders to reach a harmonized position and an appropriate path for the region to achieve a greener economy. Consultations were conducted in such areas as green jobs, green finance, green industries and biodiversity strategies.

78. The ECLAC office in Brasilia participated in the technical committee that advises the federal Government programme "Brasil sem Miséria" (Brazil without Poverty) which is aimed at eliminating extreme poverty by complementing the income transfer programme "Bolsa Família" (Family Allowance).

E. Promoting social protection

79. The United Nations system continued to emphasize social protection in its poverty reduction efforts.

80. The Report of the Social Protection Floor Advisory Group entitled *Social protection floor for a fair and inclusive globalization*[22] demonstrated that a social protection floor is based on the idea that everyone should enjoy basic income security, guaranteed through social transfers, and universal access to essential services, including health, education and food security, and other services defined according to national priorities. The report showed that the extension of social protection can play a pivotal role in relieving people of poverty and deprivation. In addition, it can help people to adapt their skills to overcome the constraints that block their full participation in a changing economic and social environment, thereby contributing to improved human capital development and stimulating greater productive activity. The report also showed how social protection has helped to stabilize aggregate demand in times of crisis and increase resilience against economic shocks.

81. IMF and ILO collaboration under the Social Protection Floor Initiative was piloted in three countries (El Salvador, Mozambique and Viet Nam); the results were presented in the above-mentioned report on social protection floors and in a preliminary report prepared by ILO and IMF for the meeting of the Labour and Employment Ministers of the Group of Twenty (G-20) in May 2012 in Mexico. IMF also worked with the United Nations Children's Fund (UNICEF) on issues pertaining to fiscal space and social policy, which involved dialogue and information-sharing at the headquarters level in 13 pilot countries, and on enhanced collaboration in assessing countries' use of fiscal space to better target policies that promote pro-poor economic growth and reduce poverty.

82. UNDP worked on social protection schemes in 50 countries to ensure the inclusion of women, young people and vulnerable groups. Through its International Policy Centre for Inclusive Growth, UNDP worked on developing knowledge products relating to social protection schemes and on conducting evaluations of such programmes worldwide.

IV. Conclusion and recommendations

83. **The extended consequences of the global financial and economic crisis continue to have an impact on employment and decent work, particularly with respect to youth, and further aggravate poverty and inequality. Urgent policy action is needed to move macroeconomic and social policies away from austerity measures in order to promote job creation, decent work and the expansion of social protection schemes. Without basic social protection, countries cannot maintain progress in poverty reduction and ensure an economic recovery that is also socially sustainable. It is also imperative to address the acute youth employment crisis through effective policy measures**

[22] Available from http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_165750/lang--en/index.htm.

and to tackle the persistent challenge of rural poverty through a decent-work-centred approach.

84. **The Second United Nations Decade for the Eradication of Poverty (2008-2017) provides an important framework for action to enhance coherence among the activities of the United Nations system to eradicate poverty, in particular through the promotion of full employment and decent work for all, and support for the integrated follow-up to the implementation of the internationally agreed development goals. The plan of action for the Second Decade provides an important instrument through which Member States and the United Nations system can effectively address the global priority of employment and decent work for poverty eradication.**

85. **The General Assembly may wish to consider the following recommendations:**

(a) **Encourage Member States to accelerate their efforts to eradicate poverty and promote empowerment of the poor and the vulnerable by, inter alia, devising policies to improve productive capacity, supporting the creation of productive employment and decent work for all, and social protection;**

(b) **Given that the creation of full and productive employment and decent work for all should be at the centre of a policy framework for inclusive and sustainable development, encourage Member States to give priority, in their development strategies, to creating decent and productive jobs, in particular for young people, and to implementing employment policies and programmes that address the quality of employment, including for young people and other vulnerable groups through, inter alia, active labour market policies and adequate labour protection;**

(c) **Recognizing that universal access to basic social protection can make an important contribution to reducing poverty and inequality and to sustaining inclusive and equitable growth, urge Member States to consider establishing nationally defined social protection floors;**

(d) **Acknowledging the negative impact of inequalities on poverty eradication efforts, encourage Member States to give priority to reducing inequalities, including by improving access to quality education, health care and social protection;**

(e) **Concerned about the persistence of poverty in rural areas, encourage Member States to promote rural development policies to increase investment and productivity and promote employment opportunities;**

(f) **Given that employment, decent work and social protection should be more prominent in the post-2015 development agenda and that the Second United Nations Decade for the Eradication of Poverty (2008-2017) could contribute to that process through dialogue and partnership, the relevant organizations of the United Nations system should continue to give priority to implementing the system-wide plan of action for the Second Decade, in collaboration with Member States and all other stakeholders.**

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Item 70 (b) of the provisional agenda*
Promotion and protection of human rights: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms

Human rights and unilateral coercive measures

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 66/156, in which the Assembly requested the Secretary-General to bring the resolution to the attention of all Member States, to continue to collect their views and information on the implications and negative effects of unilateral coercive measures on their populations and to submit an analytical report thereon to the Assembly at its sixty-seventh session. The present report contains a summary and analysis of the submissions received from the Governments of Andorra, Belarus, Bosnia and Herzegovina, Cuba, Iran (Islamic Republic of), Jamaica, Kuwait, Mexico, the Syrian Arab Republic and Trinidad and Tobago.

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I. Introduction

1. In its resolution 66/156, the General Assembly requested the Secretary-General to bring the resolution to the attention of all Member States, to continue to collect their views and information on the implications and negative effects of unilateral coercive measures on their populations and to submit an analytical report thereon to the Assembly at its sixty-seventh session, while reiterating once again the need to highlight the practical and preventive measures in that respect.

2. On 20 April 2012, the Office of the United Nations High Commissioner for Human Rights (OHCHR) sent a request for information to all permanent missions to the United Nations Office and other international organizations in Geneva. As at 5 July 2012, it had received responses from the Governments of Andorra, Belarus, Bosnia and Herzegovina, Cuba, Iran (Islamic Republic of), Jamaica, Kuwait, Mexico, the Syrian Arab Republic and Trinidad and Tobago.

II. Information received from Member States

Andorra

[Original: English]
[21 May 2012]

Andorra strongly considers that unilateral coercive measures are contrary to international law, international humanitarian law, the Charter of the United Nations and the norms and principles governing peaceful relations among States. Unilateral coercive measures are a major obstacle to the implementation of human rights.

The Government of Andorra states that it does not adopt or implement, and consequently does not recognize or encourage the use of, economic, political or any other type of unilateral measures that are not in accordance with international law. Furthermore, it strongly condemns any unilateral coercive measure on the population and states that its population is currently not coerced or subordinated in the exercise of its sovereign rights by any other State.

Belarus

[Original: Russian]
[31 May 2012]

Belarus has repeatedly emphasized the inadmissibility of the use of coercive economic measures and believes that economic sanctions are a means of political pressure on a sovereign State. Belarus strongly condemns the use of economic sanctions by the United States of America and Western countries against other countries, as it creates artificial barriers to trade and limits bilateral cooperation. Furthermore, such unauthorized measures and actions by the United States and the European Union are even more unacceptable since they are being applied by developed countries against developing countries or countries in need of international assistance, contrary to international law and the internationally agreed development goals. Pursuant to those goals, developed countries made commitments

to provide financial and economic assistance to developing countries and facilitate their development.

Belarus states that unilateral sanctions, other means of economic pressure and coercive measures against individual sovereign States are counterproductive and may lead to tension in relationships between sovereign States. Belarus remains convinced that equal and mutually respectful dialogue is the only way to contribute to solving emerging disagreements.

The insufficient response of the United Nations to the actions taken by the United States and the European Union is allowing this group of countries to freely apply the practice of economic sanctions against other States and to use such practice as a means of subordinating independent policies of other States to their political ambitions, which are in contradiction with the Charter, the Universal Declaration of Human Rights and other international covenants.

Belarus also notes that, as signatories to the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki Final Act), the United Kingdom of Great Britain and Northern Ireland and the United States pledged to refrain from any act of economic coercion designed to subordinate to their own interests the exercise by another participating State the rights inherent in its sovereignty. Belarus also notes that, in January 2011, the European Union renewed the economic sanctions suspended between 2008 and 2010 and, in March 2012, tightened those sanctions. Consequently, 243 individuals and 32 companies, including journalists, judges, head teachers, rectors of universities, doctors and businesses, are subject to sanctions. By imposing sanctions against Belarus, the European Union and the United States showed complete indifference to the fate of ordinary people working for the entities under sanction. Government social programmes financed from the revenues of those undertakings were also negatively affected.

Belarus fully supports General Assembly resolution 66/156 on human rights and unilateral coercive measures and believes that the United Nations, in particular OHCHR, should urge countries applying unilateral coercive measures against other countries to implement the resolution and promptly and publicly respond to the actions of the European Union and the United States, urging them to respect the human rights of citizens in sanctioned countries.

Belarus recalls that, on 25 May 2012, during her visit to Zimbabwe, the United Nations High Commissioner for Human Rights expressed the view that the application of unilateral economic sanctions against Zimbabwe should stop, in the light of the impact of those sanctions on the rights of ordinary citizens. Belarus believes that the High Commissioner, the Secretary-General and other senior United Nations officials should make similar statements about the need to abolish unilateral coercive measures against all States under sanctions.

Belarus believes that it is necessary to consider the possibility of creating an effective mechanism within the United Nations system to monitor the adverse effects of unilateral coercive measures. In particular, Belarus considers it useful to create a special procedure under the Human Rights Council in relation to unilateral coercive measures.

Bosnia and Herzegovina

[Original: English]
[25 May 2012]

Bosnia and Herzegovina is deeply convinced that no State should use, or encourage other international actors to use, economic, political or any other type of measures to coerce other States to make them subordinate to that State or to a great Power. Bosnia and Herzegovina takes this position because unilateral coercive measures directly contradict the standards of public international law and humanitarian law and therefore constitute a flagrant violation of the international instruments signed and ratified by States Members of the United Nations, member States of the Council of Europe and member States of the European Union.

Human rights are interrelated, interdependent and conditional, meaning that they include, as a fundamental human right, the right to development through the support of free trade and movement of people, goods, capital and services. The principle of free passage, or "laissez passer", was conceived at the time of the French Revolution and is built into the foundations of the European Union. Bosnia and Herzegovina believes that restricting the right to development through the use of unilateral coercive measures greatly jeopardizes the human rights enshrined in the European Convention for the Protection of Human Rights and Fundamental Freedoms, the Universal Declaration of Human Rights and the numerous international instruments that it has signed and ratified.

Bosnia and Herzegovina notes that interference with free trade takes place at the expense of vulnerable populations in developing countries, including children, adolescents, women and the elderly. Unfortunately, unilateral coercive measures at the legislative, economic and political levels continue to prevail worldwide, significantly influencing the social situation in developing countries and the full exercise of human rights. Bosnia and Herzegovina is of the view that it is necessary to raise public awareness of the negative impact of unilateral coercive measures and the importance of respecting the standards and principles of both public and private international law in order to create friendly relations between countries and promote and protect human rights.

Bosnia and Herzegovina strongly supports the implementation of the Declaration on the Right to Development and invokes the principle under the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights that in no case may a people be deprived of its own means of subsistence. Bosnia and Herzegovina states that unilateral coercive measures are one-sided means of political force that directly conflict with the ideals of democratic States.

Cuba

[Original: Spanish]
[12 June 2012]

Cuba states that numerous resolutions of the General Assembly, the Human Rights Council and the Commission on Human Rights, in addition to political declarations approved at major international summits and conferences of the United

Nations, have ruled that the application of unilateral coercive economic measures is a violation of the Charter and of international law. The implementation of unilateral coercive measures as an instrument of political and economic coercion threatens the enjoyment of all human rights, beginning with the rights to life and independence, sovereignty and self-determination of peoples. The main victims of those measures are the people of the countries against which they are applied, especially the most vulnerable groups — children, women, older persons and persons with disabilities.

Cuba recalls that the General Assembly decided in its resolution 2131 (XX) that no State might use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights or to secure from it advantages of any kind. That position was endorsed in the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations, adopted by the General Assembly in its resolution 2625 (XXV).

Cuba expresses the view that it has been a victim of the application of unilateral coercive measures imposed by developed countries. It therefore attaches particular importance to the consideration of this matter by the Human Rights Council and the General Assembly. Cuba believes that the application of such measures has been a fundamental instrument of a policy of hostility and aggression by the United States against Cuba, seeking to destroy the political, economic and social system established by the sovereign will of the Cuban people.

The Government of Cuba is of the opinion that the economic, commercial and financial embargo imposed by the United States against Cuba is the longest and most cruel system of unilateral sanctions that has been applied against any country or witnessed in the history of humankind. As laid down on 6 April 1960, the purpose of the economic, commercial and financial embargo is the destruction of the Cuban revolution.

Cuba maintains that the embargo constitutes an essential component of a policy of State terrorism deployed against Cuba by successive United States administrations, which, in a systematic, cumulative and inhumane way, has affected all Cuban people, regardless of age, sex, race, religion or social status. Cuba asserts that this policy qualifies as an act of genocide under subsection (c) of article II of the Convention on the Prevention and Punishment of the Crime of Genocide. Cuba also qualifies the blockade as an act of war and a crime under international law.

Cuba refers to the Torricelli Act of 1992 and the Helms-Burton Act of 1996, which, it says, contain provisions that are contrary to the Charter and in violation of international law and World Trade Organization agreements. Through those laws of a markedly extraterritorial nature, the Government of the United States has strengthened and extended to third countries, their companies and citizens the application of the economic, commercial and financial embargo imposed against Cuba for 50 years.

Notwithstanding the official rhetoric of the Government of the United States aimed at convincing international public opinion of positive changes in its policy, the embargo remains intact today. The policy continues to be applied rigorously, with the repressive political and administrative mechanisms for its implementation having been strengthened, in particular the persecution of commercial and financial

transactions by Cuba in the world. Trade with subsidiaries of United States companies in third countries continues to be impeded and investors from third countries with interests in Cuba are placed on a blacklist.

Cuba states that export and import of products and services from or to the United States market remain prohibited, along with the use of United States dollars in its international transactions. Cuba has been denied access to credit from subsidiary United States companies in third countries and from many international institutions such as the World Bank, the International Monetary Fund and the Inter-American Development Bank. The Government of the United States remains attached to unacceptable conditionalities and interventionist requests as a condition for change in its policy towards Cuba.

Cuba notes that, in support of the blockade policy, sanctions governing transactions with Cuba continue to be applied against United States and European companies. This policy impedes exchanges of a scientific, cultural or tourist nature and promotes the theft of trademarks and the freezing of millions of dollars of Cuban funds in the United States. More pressure is applied to subordinate relations with Cuba for the purposes of regime change and financial support is offered for actions aimed at overthrowing the constitutional order in Cuba.

The damages caused by the extraterritorial nature of unilateral coercive measures are multiplied by the significant participation of the United States and its enterprises in trade and transnational investment. The investments of both third-country companies in the United States and of North American companies abroad, mainly in the form of mergers and partial or full acquisitions of companies, exacerbate the extraterritorial effects of those measures by reducing the external economic space of Cuba and make it more difficult, sometimes impossible, to find partners and suppliers to avoid the strict blockade imposed by the United States. More than 70 per cent of the Cuban population was born and lives subject to unilateral coercive measures applied by the Government of the United States against Cuba.

Cuba states that, according to conservative estimates, the direct damage to Cuba resulting from the blockade as at December 2010 exceeds $104 billion. Notwithstanding General Assembly resolution 66/6, adopted by an overwhelming majority of Member States on 25 October 2011, in which the Assembly called for the lifting of the economic, commercial and financial embargo against Cuba, and the existence of 19 previous resolutions that include that just demand, the Government of the United States has continued to pursue this action, evidencing its absolute disrespect for the United Nations, multilateralism and international law.

Over the past two years, there has been a significant imposition of fines on United States and foreign banks for having operated in Cuba. The persecution and surrender of individuals and companies in third countries have reached extreme levels, confirming the extraterritorial character of the blockade. Cuba provides numerous examples in this regard.

The application of this blockade policy continues to be the main obstacle to the economic and social development of Cuba and constitutes a flagrant, massive and systematic violation of human rights and a transgression of a sovereign State's rights to peace, development and security. The continued support of the international community and its strong pronouncement against the application of such measures has been an important tool in the struggle of the Cuban people.

Iran (Islamic Republic of)

[Original: English]
[5 June 2012]

The Islamic Republic of Iran recalls that, in recent decades, unilateral coercive measures have been imposed, mostly through unilateral economic and financial sanctions. It also recalls the illegitimacy of the practice, which is contrary to international law, international humanitarian law, the Charter and the norms and principles governing peaceful relations among States. The measures have drawn the attention of United Nations human rights bodies and mechanisms, in addition to non-governmental organizations, to the possible impact of economic and financial sanctions on the enjoyment of human rights.

For example, the Islamic Republic of Iran states that analysis of the issue of sanctions led the Committee on Economic, Social and Cultural Rights to adopt its general comment No. 8 on the relationship between economic sanctions and respect for economic, social and cultural rights (E/C.12/1997/8), in which it said that economic sanctions almost always had a dramatic impact on the rights recognized in the Covenant and that they often caused significant disruption in the distribution of food, pharmaceuticals and sanitation supplies, jeopardized the quality of food and the availability of clean drinking water, severely interfered with the functioning of basic health and education systems, and undermined the right to work.

In the same general comment, it was stated that the collateral infliction of suffering upon the most vulnerable groups must be taken into account and that a number of recent United Nations and other studies had concluded that exemptions established by the Security Council to permit the flow of essential goods and services destined for humanitarian purposes did not have that effect and were limited in scope.[1] The Committee underlined that such exemptions did not address many required areas, such as the question of access to primary education, nor did they provide for repairs to infrastructure which were essential to provide clean water and adequate health care, among other things.

The Islamic Republic of Iran also points out that the Human Rights Committee, in its concluding observations on the fourth periodic report of Iraq, stated that the effect of sanctions had been to cause suffering and death, especially to children (CCPR/C/79/Add.84, para. 4). In 1999, considering the fourteenth periodic report of Iraq, the Committee on the Elimination of Racial Discrimination recalled that other human rights treaty monitoring bodies, such as the Committee on Economic, Social and Cultural Rights (especially in its general comment No. 8), the Committee on the Rights of the Child and the Human Rights Committee had recognized the adverse consequences of economic sanctions on the enjoyment of human rights by the civilian population and that, in its decision 1998/114, the Sub-Commission on Prevention of Discrimination and Protection of Minorities had appealed to the international community, and to the Security Council in particular,

[1] In her report on the impact of armed conflict on children (A/51/306, annex), the expert of the Secretary-General states: "Humanitarian exemptions tend to be ambiguous and are interpreted arbitrarily and inconsistently ... Delays, confusion and the denial of requests to import essential humanitarian goods cause resources shortages ... [Their effects] inevitably fall most heavily on the poor."

for the embargo provisions affecting the humanitarian situation of the population to be lifted (see A/54/18, paras. 337-361).

The Islamic Republic of Iran also recalls the relevant resolutions and decisions of the Sub-Commission on the Promotion and Protection of Human Rights, as follows:

(a) In its resolution 1997/35, the Sub-Commission pointed out that economic sanctions most seriously affected the innocent population, in particular the weak and the poor, especially women and children, and had a tendency to aggravate the imbalances in income distribution already present in the countries concerned;

(b) In its decision 1999/110, the Sub-Commission reaffirmed that measures such as embargoes should be limited in time and in no way affect innocent civilian populations. In that context, it also underlined the need to respect the Charter, the Universal Declaration of Human Rights and the relevant provisions of the Geneva Conventions of 1949 and the two Additional Protocols thereto which prohibited the starving of civilian populations and the destruction of what was indispensable to their survival;

(c) In its resolution 2000/1 on human rights and humanitarian consequences of sanctions, including embargoes, the Sub-Commission appealed to the Commission on Human Rights to recommend to all competent organs, bodies and agencies of the United Nations system that they observe and implement all relevant provisions of human rights and international humanitarian law and to the Security Council that, as a first step, it alleviate sanctions regimes so as to eliminate their impact on the civilian population.

The Islamic Republic of Iran points out the need for urgent consideration of the human rights dimension in assessing the impact of economic sanctions on the population of countries under sanctions regimes. The living standards of large sections of the populations of targeted countries have been reduced to the subsistence level by the imposition of sanctions, which has also been a major obstacle to the implementation of the Declaration on the Right to Development.

As confirmed at the recent thirty-seventh session of the Organization of Islamic Cooperation Council of Foreign Ministers, held in Dushanbe, the human cost of sanctions is a cause for genuine concern, and the deprivation suffered by civilian populations under sanctions regimes is a violation of human rights. Concerned over the implementation of such measures, the Islamic Republic of Iran condemns the continued imposition of economic sanctions by some Powers as tools of political or economic pressure against some developing countries, with a view to preventing those countries from exercising their right to decide, of their own free will, their own political, economic and social systems. The Government of the Islamic Republic of Iran appeals to all States concerned to reconsider the adoption of economic sanctions.

Jamaica

[Original: English]
[11 March 2011]

The Government of Jamaica has not adopted any unilateral measures that are not in accordance with international law or the Charter. Jamaica remains opposed to the adoption of such measures as they impede the full realization of the rights set forth in the Universal Declaration of Human Rights and other international human rights instruments.

Jamaica highlights that, in addition to being contrary to the principles of international law, unilateral coercive measures also contravene the principles of the sovereign equality of States, non-interference in the internal affairs of States and peaceful coexistence. Jamaica reiterates the call by the General Assembly urging all States that have applied and continue to apply such measures to take the necessary steps to repeal them as soon as possible.

Kuwait

[Original: Arabic]
[15 June 2012]

Human rights, enshrined in the Universal Declaration of Human Rights and several other international instruments, and in most national constitutions, apply to relations between States and individuals and also to relations between States. All human rights must be upheld without exception or selection.

Kuwait supports all efforts by OHCHR in the rejection and elimination of unilateral coercive measures. Such measures have negative effects on the population of developing countries and development, as laid out in the Declaration on the Right to Development. They impede the full enjoyment of all human rights, including the most elementary rights such as those to food and medical care. They are used to exert political pressure and pose obstacles to international relations and trade.

Kuwait is opposed to the adoption of any legislative, administrative or economic measure by any State against any other State, in particular coercive measures used to enforce specific policies. Such measures may impede political, social and cultural progress in targeted States.

Kuwait believes that, to ensure respect for human rights, there should be no politicization of issues relating to human rights. Furthermore, the universality of human rights must be respected without selecting some rights and excluding others. Kuwait believes that it is important to perform a comprehensive assessment of resolution 66/156 to assess its current impact and the obstacles to its implementation and to take the necessary follow-up steps.

Mexico

[Original: Spanish]
[30 May 2012]

Mexico strongly rejects the application of legislation and unilateral measures of economic blockade, commercial or any other type of measures against any country, in addition to the use of coercive measures without legal basis in the Charter. In its view, political, economic and military sanctions can emanate only from the decisions and recommendations of the Security Council and the General Assembly.

Mexico reiterates that unilateral measures implemented extraterritorially in third countries have humanitarian consequences. Furthermore, such measures represent a rejection of diplomacy and dialogue as the best ways to resolve disputes between States. On 23 October 1996, Mexico promulgated legislation to protect trade and investment from foreign norms that contravene international law with the aim of prohibiting the realization of acts that affect trade and investment when such acts are a consequence of the effects of the extraterritorial legislation of other countries.

Syrian Arab Republic

[Original: Arabic]
[24 May 2012]

The Syrian Arab Republic states that, every year, the General Assembly and the Human Rights Council adopt resolutions in which they emphasize that the imposition of unilateral economic measures on developing countries constitutes a flagrant violation of the norms of international law set out in the Charter. While the principles and purposes of the United Nations are unequivocal, as are the recommendations made by the General Assembly in the relevant resolutions, certain States and regional entities continue to use coercive measures against certain developing countries and to subject them to political pressure.

The Syrian Arab Republic stresses that a series of unilateral coercive measures is adversely affecting the Syrian people, their livelihood and development. It notes that the United States, the European Union, the League of Arab States, Turkey, Switzerland, Canada, Australia and Japan have all imposed illegal, unilateral coercive measures on the Syrian Arab Republic, stating that an exhaustive list of the harsh unilateral sanctions imposed to date, including those imposed by the above-mentioned countries and organizations, is contained in a note verbale dated 24 May 2012 (A/HRC/20/G/3).

Sanctions have recently been stepped up, with serious impacts on the Syrian people. The States in question have imposed more than 58 packages of illegal, unilateral coercive measures against the Syrian people, targeting all areas of economic, financial, agricultural and industrial activity and the food, pharmaceutical, tourism, transport, science and culture sectors. Each set of sanctions includes several subsets, so that the real number of sanctions is far higher than 58, with major implications for the scale of the suffering of the Syrian people.

Most of the measures have been focused on the oil, gas, financial, banking, electricity, technology and infrastructure sectors. They have had an extremely negative impact on the Syrian economy, which has been deprived of revenue from

those vital sectors and has sustained huge losses in terms of unrealized income. The oil sector alone has lost more than $2 billion during the current crisis because the export of some 180,000 barrels per day has been halted (excluding losses stemming from damage, bombings, sabotage and theft). That in turn has led to price hikes and had a knock-on effect on the income of Syrians, their day-to-day lives and the availability of health, educational and social services and employment.

The Syrian Arab Republic believes that the European Union has imposed harsher collective sanctions on the Syrian people. For example, the European Investment Bank has halted its funding of electricity generation projects, a purely civilian sector that serves the population, especially in the harsh winter season when people use electricity for heating to compensate for the fuel shortage. The European Union has also imposed sanctions on several officials in the electricity and oil ministries. The employees of those ministries work under extremely difficult conditions to repair the damage caused by armed terrorist groups to pipelines and oil and electricity sector infrastructure, while those groups seek to stop them from approaching destroyed facilities or kill, abduct, terrorize or beat them.

The Syrian Arab Republic also states that armed groups have destroyed electricity networks, depriving the population, hospitals and factories of that key utility. The sanctions on transportation have inflicted an embargo on the Syrian population: oil may not be transported to or from the Syrian Arab Republic in any vessel that flies the flags of the States concerned. This is but one example of the impact that unilateral resolutions have had on the lives of millions and the scale of the damage that they cause. Examples are also given of sanctions against a popular credit bank and a post office savings bank. Those banks are wholly and solely dedicated to serving the Syrian population. The freezing of assets belonging to the Real Estate Bank, which is an important source of financing for home purchases used by Syrian families with average or low incomes, is another example of a human rights violation, in this case the right to housing. The same applies to the industrial and agricultural banks, which lend to manufacturers and small farmers.

The Syrian Arab Republic also states that the sanctions are designed not to help the Syrian population, but to destabilize the economy, marginalize growing numbers of Syrians and subject them to collective punishment for failing to join schemes set up to destroy the Syrian Arab Republic.

The Syrian Arab Republic calls upon the international community to condemn those and other unilateral measures imposed on developing countries. It calls for the full and unconditional implementation of General Assembly resolution 66/156 and the rejection of the measures, which are used as instruments of political and economic coercion against developing countries and are employed to undermine the freedom of choice of those countries and their populations and to impoverish and marginalize States that refuse to yield to the hegemonic ambitions of others.

Trinidad and Tobago

[Original: English]
[5 July 2012]

Trinidad and Tobago states that unilateralism can be described as the doctrine that nations should conduct their foreign affairs on an individualistic and one-sided

basis without the advice or involvement of other nations. In the present context, it would refer to actions by individual Member States, exclusive of any consultation with or advice from governing bodies, which compel its citizenry to act in accordance therewith. Many developed States exercise unilateral coercive measures over developing countries, which are often dependent on those developed nations, as a means of economic and political control. Such intimidating measures place restrictions on the scope of trade and also on the ability of the developing countries to determine their own policies.

Trinidad and Tobago does not support the application of unilateral coercive measures within States, or their extraterritorial application. Trinidad and Tobago recalls five of the main United Nations conventions related to the above-mentioned resolution to which it is a party: the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child.

Trinidad and Tobago concludes that the provisions of those conventions highlight the need for greater respect for and recognition of human rights and liberties and are implemented either through legislation or social policy in Trinidad and Tobago. Accordingly, if unilateral coercive measures were to be in operation in Trinidad and Tobago, they would undoubtedly directly contravene article 5 of the Convention on the Elimination of All Forms of Racial Discrimination and articles 1 to 5 of the International Covenant on Civil and Political Rights and of the International Covenant on Economic, Social and Cultural Rights.

There are, to date, no recorded incidents of the application of unilateral coercive measures by the Government of Trinidad and Tobago.

III. Analysis and conclusions

3. **All Member States that responded rejected the use of unilateral coercive measures and several States noted that they did not resort to such measures as a matter of principle. It was said that unilateral coercive measures contravened the ideals of democratic States and the basic principles of State sovereignty, independence, sovereign equality, self-determination and non-interference in the internal affairs of States, and peaceful coexistence. Some respondents were of the opinion that unilateral coercive measures represented a rejection of diplomacy and dialogue as the most appropriate means to resolve disputes between States.**

4. **According to several respondents, unilateral coercive measures represented a violation of human rights and posed obstacles to the full realization of human rights, the development of societies, the achievement of peace and security and the resolution of disputes and conflicts. Interference with free trade took place at the expense of vulnerable populations in developing countries, including children, adolescents, women and older persons. Measures such as embargoes should be limited in time and should in no way affect innocent civilian populations.**

5. **Several States referred to the use of unilateral measures implemented extraterritorially in third countries, saying that such measures had humanitarian consequences and clearly contradicted the objectives for which those measures had been put in place.**

6. **Respondent States also noted that there was a need to raise public awareness of the negative impact of unilateral coercive measures and the importance of respecting the standards and principles of international law in order to create friendly relations between countries and promote and protect human rights. They observed that such measures were used as a tool for political or economic pressure against countries with opposing views, to prevent those countries from exercising their right to decide, of their own free will, their own political, economic and social systems and posed obstacles to international relations and trade.**